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ABCUL
Association of British Credit Unions Limited

Credit Union News



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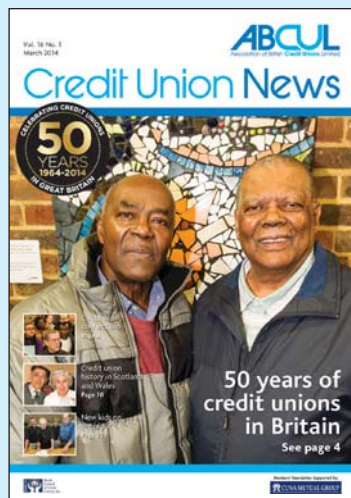
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50 years of credit unions in Britain

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Celebrating our past, looking forward to our future

In this edition of *Credit Union News* we look back at the short history of our movement and forward to our exciting future.

The history of credit unions is one of people; people who wanted to make a difference to the lives of their colleagues and neighbours, and Reynold Grier and Bentley Hines, interviewed on pages 8 and 9, are just two of these people. But their story is an important one to tell and a fascinating one to read, as they were part of the pioneering group which established one of the first credit unions in Britain.

Many others have been part of the story of credit unions in Britain over the past 50 years and we have Martin Logan and his colleagues in the British Credit Union Historical Society to thank for their efforts to make sure their work is not forgotten. Martin tells us more about his mission on page 3 and his labour of love has contributed to our timeline on pages 4-7.



needed a fairer form of finance; organisations offering support and resources to the sector both locally and nationally; politicians and policymakers who have supported us to create a better environment for credit unions to operate in. Thousands of people have contributed to the development of the sector over the years and hundreds of thousands continue to do so, as credit union members, volunteers, staff and supporters.

One particular individual who made an enormous impact on the development of credit unions sadly passed away recently. Paul Jones writes about June Smith's contribution to the movement on page 14, and I shall leave the last remark to him, as it sums up what we have as a sector and why we are marking 50 years of credit unions in Britain. "It is people like June who ensure that credit unions are not just some form of bank, but are organisations truly made up of people helping people."

“Thousands of people have contributed to the development of the sector over the years and hundreds of thousands continue to do so...”

Credit unions in Britain continue to develop and meet the changing needs of different groups of people. There are some very interesting new credit unions launching soon with the backing of influential organisations and we feature three of them on pages 12 and 13.

I'd like to take this opportunity to thank all the people who have contributed to the credit union sector over the past 50 years: individuals deciding that their neighbours and colleagues



Mark Lyonette,
Chief Executive, ABCUL

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The history man

FOR THE past 20 years, Martin Logan has been on a mission to uncover the history of the British credit union movement. Now, with the completion of a new booklet, the setting up of a credit union history society and a touring exhibition, the fascinating story of British credit unions is being revealed.

Martin Logan has been involved with credit unions for over 40 years, since he was a young man growing up in Dublin in the 1970s. Thanks to a credit union loan from Sundrive Road Credit Union in Ireland, Martin was able to emigrate to Britain.

In 1992, while working as a bus driver, Martin became a founder member of GM Buses Employees Credit Union, now known as Voyager Alliance Credit Union. He has been an active volunteer and participant in the British credit union movement ever since.

"When I first got involved with British credit unions," says Martin, "I started looking into their history, but there was very little information available. There was a huge gap and I wanted to find out more."

Martin got together with two other likeminded credit union activists, Rose Dorman MBE, the late founder of Dalmuir Credit Union, and Paul Jones of Hattersley Credit Union, better known these days for his work at the Research Unit for Financial Inclusion at Liverpool John Moores University, to start gathering information and recording the history of the movement.

Losing our heritage

"When we started looking into the history it was a struggle to find out anything – it wasn't a priority for most people. I felt that, even though credit unions have only been around for a relatively short time in this country, we were at risk of losing our heritage."

Martin quotes an extract from *A History of Greater Vancouver Community Credit Unions* as to why he thinks history is important for the movement: "We can all learn from the past, if we know what has taken place."

"I'm not a Luddite. I know that credit unions have to evolve and that they can't stand still, but we can learn from the experiences of the past and I think it is important that we remember the pioneers of the British credit union movement. In fact, I think we owe them a huge debt of gratitude for their perseverance and stubbornness in getting credit unions off the ground in the first place."

On International Credit Union



Martin Logan.

Day (ICUD) 2012, Martin launched an exhibition at the People's History Museum, Manchester, charting the growth of the movement. With help from the ABCUL Greater Manchester Chapter of Credit Unions and other credit unions and chapters, 18 pop-up display boards were created. The display boards document the co-operative movement from its founding in Rochdale, England, and expansion into Germany and North America, followed by further development as credit unions around the world, to the Caribbean, Australia and Ireland. They tell the story of the pioneers of the British credit union movement in London and Scotland and the fight for legislation for the movement throughout the 1970s right up to the creation, in 1984, of ABCUL from the Credit Union League of Great Britain.

In May 2013, Martin set up the British Credit Union Historical Society with Frank Duffy of Fallowfield Credit Union and James Clancy of Metro Moneywise Credit Union. The Society has the aims of "preserving the past, educating the present and enriching the future", says Martin. "The idea is to build up a comprehensive and accurate resource about the credit union movement in Britain, which everyone can use and benefit from."

Martin says it is still early days for the Society, and new members are very welcome. Their website is now up and running at www.bcuhs1.com and

to find out more, or if you have any information on the history of credit unions, such as photos, that you would like to share and have displayed on the website, email bcuhs@hotmail.co.uk.

Pop-up displays

For International Credit Union Day 2013, a further five historical pop-up displays were created to bring the history timeline up to 2014, in time for the 50th Anniversary, and these were displayed at the ICUD celebrations organised by the Yorkshire & Humber Chapter at Sheffield Cathedral.

At the end of last year, Martin also published a booklet on the history of the British credit union movement. Although Martin is working on a more detailed book about the history, which he hopes to have more time to work on when he retires, he was keen to get something published in time for the 50th Anniversary of credit unions in Britain. Based on the 23 historical pop-ups, the booklet provides an overview of the highlights of the British credit union movement from its beginnings up to the present day.

The Credit Union Movement in Great Britain: "The Highlights" 50 Years 1964 – 2014

Celebrating 50 years of British credit unions

This 31 page A4 booklet, written by Martin Logan, contains a wealth of interesting facts and figures about the movement over the last five decades as well as historical maps showing the growth and development of credit unions in Britain.

To order, email James Clancy at the British Credit Union Historical Society bcuhs@hotmail.co.uk

Proceeds from the book will help fund the ongoing work of the British Credit Union Historical Society to preserve the history of our movement for future generations.

Only
£5
+P&P



50 years of credit



CREDIT UNIONS can trace their roots back to the ideas of co-operation and self-help enshrined in The Rochdale Principles of 1844. The co-operative ethos evolved as it spread around the world and the first credit unions were developed in Germany in the 1850s. It wasn't until 1964 that the first credit union opened in Britain, six years after the first credit union in Ireland, which started in Dublin in 1958.

1964

Two groups independently set up credit unions in Britain within days of each other. Wimbledon Credit Union is incorporated under The Companies Act on 1 April and Hornsey Co-operative Credit Union is registered under the Industrial and Provident Societies Act on 7 April. Wimbledon Credit Union is formed by a group set up by Ted Sammons to study the principles and philosophies of credit unions. Hornsey Co-operative Credit Union is set up by a group of West Indian immigrants (see page 8).

1965

In July 1965 Acme Co-operative Credit Union is the second credit union to register as an Industrial and Provident Society after Hornsey Co-operative Credit Union, while Hornsey itself celebrates its first Annual General Meeting with over 100 members.



Directors and committee members of Hornsey Co-operative CU and Acme Co-operative CU celebrating International Credit Union Day 1965.

Paddy Bailey of the World Council of Credit Unions (standing), who played a major role in helping to develop credit unions in Great Britain, speaking at a Credit Union League of Great Britain (CULGB) AGM with Frank Villiers, (seated beside him), first President of CULGB.



1967

The first Credit Union Handbook is published by Ted Sammons. Thought to be the first ever credit union publication in Britain, *Credit Unions in Britain* chronicles the British credit union movement, its development and aims. It is only when members of Hornsey Co-operative Credit Union see a copy of this handbook that they discover that Wimbledon Credit Union exists. On 4 September 1967 officials of the National Federation of Credit Unions and Hornsey Co-operative Credit Union meet for the first time.

1967

In October 1967 the Credit Union League of Great Britain is formed by Hornsey Co-operative CU and other West Indian credit unions. Soon after, a meeting takes place between the League and the National Federation with a view to creating one organisation to promote and represent credit unions throughout Britain. Although a draft constitution for the new Central Credit Union Council of Great Britain is agreed in November 1967, a single national credit union organisation never comes about.

1970

The first credit union in Scotland opens. Western Credit Union in Glasgow, now Drumchapel Credit Union, is set up by members of St Laurence's Church in February 1970.

1964

1965

1966

1967

1968

1969

1970

1971

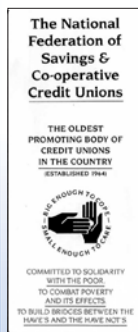
1972

1973

1974

1975

1976



1964

The National Federation of Savings and Credit Unions is formed as a support organisation for credit unions by Wimbledon and two other credit unions, in Highgate, London, and Hove, Sussex.

unions in Britain

1974

The first credit union in Wales, St Therese's Credit Union, is established by Reverend Sean Kearney among the parishioners of St Therese's Church in Port Talbot, South Wales.

1979

In March 1979, the House of Commons passes the Credit Unions Bill. The Labour Government, having called a General Election, rushes the Bill through Parliament and the Credit Unions Act 1979 is the last piece of legislation passed by the outgoing administration. The Act is passed into law in April and finally gives recognition and legal protection to credit unions and their members. On 10 December 1979, Skelmersdale Credit Union in Lancashire becomes the first credit union to be registered under the 1979 Credit Unions Act.



1977

1978

1979

1980

1981

1982

1983

1984

1985

1986

1972

In May 1972 John Roper, the Co-operative MP for Farnworth, Manchester, tables a Private Members' Bill in support of credit union legislation. This is the first attempt to gain legislation for credit unions in Britain but, as a result of an objection to the Bill, mainly on a procedural matter, it is lost.



John Roper MP.



1984

The Credit Union League of Great Britain changes its name to the Association of British Credit Unions Ltd.

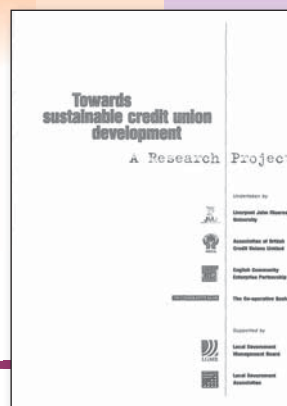


Participants in second Leaders and Learners Credit Union Conference (June 1971) at Ilkley, Yorkshire, with Instructors.

50 years of credit

1999

Publication of *Towards Sustainable Credit Union Development* by Paul Jones of Liverpool John Moores University. This report recommended funding to be directed to credit unions rather than development workers to allow credit unions to operate professionally, with premises and staff.



2001

Increases are made to the amount juniors can save in a credit union and to the maximum length of credit union loans.

2002

Credit unions are now regulated by the Financial Services Authority. Credit union deposits are protected for the first time with membership of the Financial Services Compensation Scheme.



2003

Amendments to the 1979 Credit Unions Act allow credit unions to charge for providing additional basic services (e.g. bill payments) and introduce 'live or work' common bonds.



1996

A Deregulation Order reduces restrictions on borrowing by non-qualifying credit union members and introduces the Section 11C certificate, allowing certain credit unions more powers to lend.

This article is in part based on the research carried out by Martin Logan on the history of credit unions in Britain.

unions in Britain



2004

The credit union sector in Britain celebrates its 40th Anniversary and 25 years since the Credit Unions Act.

The Growth Fund, part of the Financial Inclusion Fund, is launched. Designed to increase the availability of affordable credit, this continued until 2011 and helped credit unions to make over 400,000 extra loans to low income members.

2008

ABCUL publishes *Governing for Success – the Code of Governance for Credit Unions*.



2006

The ceiling on the maximum rate a credit union can charge for loans is increased from 1% a month on the reducing balance to 2% a month on the reducing balance.



2012

Changes to the Credit Unions Act 1979 come into force in January 2012. A Legislative Reform Order removed restrictions on credit unions, allowing them to reach out to more people and use the increased flexibility to provide the services that people need.



2008

2009

2010

2011

2012

2013

2006

Treasury Minister Ed Balls MP announces a review of co-operative and credit union legislation.

2013

In May 2013, ABCUL is contracted by the Department for Work and Pensions to deliver the Credit Union Expansion Project, with funding available of up to £38 million. 82 credit unions join the Project, which is supporting credit unions to introduce the business efficiencies and new financial products that will result in a growth in membership, loans and savings.



CROSSING THE Atlantic from Jamaica just under 60 years ago, a group of new immigrants to this country, who arrived in North London, couldn't have imagined the legacy they would leave behind for future generations.

Caribbean conne

"I was a country boy back in Jamaica," says Reynold Grier, "I came over to England in 1958 when I was 22 years old and I didn't know what I would do when I got here."

Reynold's brother was already in London working as a builder and soon Reynold joined him in domestic and industrial electrical installation.

"In those days it wasn't that easy to get loans from the bank, but we started

saving together. At that time there were about 12 of us who saved together at the local Baptist church in Ferme Park, Hornsey."

Hornsey Co-operative Credit Union, as it was to become, is recognised as one of the first credit unions to be set up in Great Britain and it became the longest continuously operative credit union until its merger with London Capital Credit Union in 2013.

But, as Bentley Hines, another of the early members of Hornsey Co-operative Credit Union explains, it wasn't all plain sailing to set it up. "I came to Britain as a 23 year old toolmaker, and the late President of the Credit Union, Mr Blair Greaves, who was a school friend of mine, came to see me in London. My friend was one of the 'Pioneers' and they had to fight tooth and nail to get registration, as the Registrar asked 'what is a credit union?'"

Neither Bentley nor Reynold had heard of the term credit union before they arrived in Britain. Bentley recalls: "My friend told me about the credit union and although there were credit unions in Jamaica at the time, I hadn't heard of them."

Savings culture

But what both Reynold and Bentley did recognise was the savings culture that was part of the Caribbean way of life. Says Bentley: "We didn't see it as a new idea as we were used to saving. We were used to Penny banks and Partner savings schemes."

The Jamaican Partner scheme is essentially an informal, savings and loans community co-operative, used

especially by poorer community members.

But when the 'Hornsey Pioneers' decided to set up a credit union, they had a problem. There was no appropriate legislation for credit unions.

Although the early 1960s had seen the formation of a credit union in Londonderry / Derry and questions were starting to be asked in Parliament about how they should be registered, it wasn't until 1964 that Hornsey Co-operative Credit Union was registered under the Industrial & Provident Societies Act. A specific Credit Unions Act didn't come about until 1979.

Inspiration

The early credit unions in the UK all owe their formation, in part, to international co-operation, as well as a great deal of community tenacity.

The Derry Credit Union was inspired by earlier credit unions in the Republic of Ireland, whilst those in Scotland owe their roots to Irish immigrants. In a twist to this international effect at Hornsey Co-operative Credit Union, it was a British doctor who, according to Reynold, suggested that the informal savings club in Hornsey become a credit union.

"The doctor had worked in Jamaica," says Reynold, "and he told us how it helped poor people and he said 'why don't we have credit unions here?'"

But wherever in the world credit unions were formed, their fundamental purpose was the same, to enable their members to access the financial services that they needed.

"It was difficult in those days to

Bentley Hines.





ctions

“We did what we thought was right at the time, but it was a big challenge to tell people what a credit union was.”

get credit,” explains Bentley. “In our community”, he says, “many people wanted loans to afford trips back to the West Indies.” And while there was HP (hire purchase) on some domestic purchases, banks often only loaned to homeowners, at a time when home ownership was less common amongst working people than it is today.

The difficulty of getting loans is echoed by Reynold. “It wasn’t easy to get a loan from the bank,” he says. “That is partly what made us want to set up a credit union. We did what we thought was right at the time, but it was a big challenge to tell people what a credit union was.”

Financial education

According to Bentley, one of the areas that is important is financial education for younger people, who often do not think of its importance until they need help, and encouraging a savings culture was important to the credit union and echoed the Pioneers’ Jamaican attitude to finance.

Over time the credit union, that remained close to its roots in the Baptist church, grew and even bought a property in Drylands Road, Hornsey, which became a meeting place: a vibrant

community centre, bar and registered office.

But after fifty years of service to the community in Hornsey, with its dedicated volunteers and directors getting older or moving away from the area, the decision was taken to merge with another credit union, “to hand over a legacy to the younger generation”, as Reynold puts it. Adds Bentley: “Most of my generation came intending to stay for five years at the maximum. It’s more than 50 now and I am still here.”

“Credit unions will always be a good thing,” says Reynold. He points out the importance, as he sees it, of people saving. “It makes credit unions more successful,” he says. He believes credit unions have a good future and is keen to stress how important principles, such as the co-operative principles of self-help and honesty, are to credit unions. And that is what will continue to attract new members.

“There’s a saying that from small acorns mighty oaks grow. Hornsey Co-operative Credit Union was the acorn for the British credit union movement,” concludes Bentley.



Reynold Grier.



About London Capital Credit Union

London Capital Credit Union has over 8,500 members with over £5.5 million in savings and loans balances of £4.7 million. In the last financial year, membership grew by 48%, while member savings increased by 61% and loans balances by a further 47%.

The credit union operates across the London boroughs of Barnet, Camden, City of London, Hackney, Haringey and Islington.

London Capital Credit Union Manager Martin Groombridge says: “We owe so much to the people who have worked so hard over the decades to get the UK credit union movement where it is today. The pioneering work of the West Indian communities in London paved the way for us to provide our much needed services to rapidly increasing numbers of members.

“The time is right for us to take the next step in growth and services in a financial services market based too much on greed and not focused enough on the needs of ordinary people.”

www.credit-union.coop

Credit union history in Scotland and Wales

The credit union movement reached Scotland and Wales in the 1970s, and has been embraced over the last four decades with growth in many parts of Scotland out-pacing the rest of Britain.

The first credit union in Scotland was Western Credit Union, founded at a meeting of 12 local people in St Laurence's Church hall in Drumchapel, Glasgow, in February 1970. Inspired by the success of community credit unions just over the Irish Sea, the meeting agreed to establish a credit union of their own.

The driving force behind the establishment of Western Credit Union was Bert Mullen. Bert was a painter and decorator who had family in Ireland, where he learned about credit unions. He thought a credit union could help the residents of the huge housing estate in Drumchapel, who often found it difficult to access basic financial services.

Challenges

Bert and his colleagues had to overcome many challenges in the early days of the credit union, from persuading local people to join, to finding a bank that would accept their deposits – and even convincing the police he wasn't a loan shark! From the beginning, however, one thing was agreed: even though it started in the local church, it welcomed all parts of the community.

Trisha Butler, General Manager of Drumchapel Credit Union, which Western Credit Union eventually became, explains that the credit union was soon successfully gathering in

savings, but at first it struggled to get people to borrow. "Eventually, one member plucked up the courage to take out a loan of £9 to buy a pair of glasses!"

Western Credit Union was the first of over 100 credit unions that would open in Scotland over the next 40 years and Bert Mullen himself would go on to inspire and help start a number of new credit unions in communities across Scotland. From those first 12 members in St Laurence's Church hall depositing a total of £19 in the new credit union, there are now over 325,000 credit union members in Scotland with £335 million in savings.

Scotland's credit unions have always benefited from strong links with other credit unions in Britain, in Ireland and across the world. Western Credit Union quickly joined ABCUL's precursor the Credit Union League of Great Britain to become its fifteenth member, and the correspondence and links Bert Mullen had established researching credit union movements around the world meant the new Scottish credit union even received a donation of £25 from a credit union in Melbourne, Australia, to help promote its services to the local community.

Like Western Credit Union in Drumchapel, the local Catholic Church played an important role in the establishment of St Therese's Credit Union in Port Talbot, the first credit union in Wales.

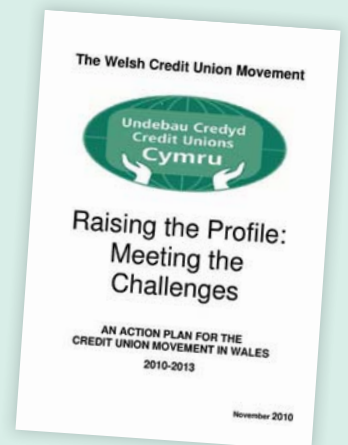
It all began in 1974 when Reverend Sean Kearney established a credit union among the parishioners of St Therese's Church, primarily to serve the Catholic community living on a large housing estate in Port Talbot, South Wales. There was then a considerable lapse of time in the progress of the credit union movement in Wales, until in 1989 the Penyrheol and Trecenydd Credit Union in Caerphilly and Rhydyfelin Credit Union in Pontypridd were formed.

In the 1990s, support for credit unions in Wales grew thanks to the anti-poverty policies of local authorities and national charities such

as Barnardo's and the NCH, specifically in Cardiff and the Vale of Glamorgan. By 1997, a total of 31 credit unions had been registered in Wales.

Threefold increase

In July 2000, the Welsh Government announced its first funding package to encourage the growth of credit unions in Wales. This was used by credit unions to employ staff, purchase or rent premises and improve their marketing strategies. Between 2000 and 2004, the number of credit union members in Wales increased threefold from 10,000 to 30,000 and credit union savings over the same period also saw a threefold increase.



By 2008, all-Wales credit union coverage had been achieved, and in November 2010 the Welsh Government published a three year action plan for supporting the Welsh credit union sector. *Raising the profile: meeting the challenges* was backed by £3.4 million of funding. In January 2014, the Welsh Government announced that it would invest a further £1.2 million in the sector. There are now 20 credit unions in Wales, with 60,000 members and £25 million in savings.

While other credit unions have chosen to expand their memberships beyond their original common bond, St Therese's Credit Union continues to serve members of the local parish to provide a safe place to save and an affordable source of credit.

W www.drumchapelcreditunion.co.uk

Bert Mullen with his wife Alice.



Payroll industry introduces free credit union loan repayments

THE CHARTERED Institute of Payroll Professionals (CIPP) recently announced that many of the UK's payroll outsourcers have agreed, as part of their corporate social responsibility, not to charge their customers for the processing of credit union loan repayments, allowing organisations the ability to offer this facility to their staff if they have outsourced their payroll.



The CIPP, which represents payroll and pension professionals in the UK, will be working with payroll professionals and payroll software providers to ensure there are minimum administrative burdens

and/or costs associated with the scheme.

According to the CIPP, research has shown that employees are less effective in the workplace and have a higher level of absence when they are pre-occupied with debt worries.

Lindsay Melvin, CEO of the CIPP, said: "Our hope is that all employers and payroll providers will collectively support employees in managing their debt by not charging for processing credit union loans through payroll.

"It would be good if employers were proactive in communicating to staff the advantages of going to a credit union as a viable alternative to a payday loan provider, with

a valuable advantage of having a free mechanism to repay their loans and saving to cope with emergencies. This act of generosity provided by many in the payroll industry will, hopefully, galvanise all businesses to review their current policies relating to employee debt.

"The delinquency rate on loans repaid through payroll is less than 1% whereas through other repayment methods it is nearer 8%. The CIPP hopes that this initiative by many in the payroll industry will encourage businesses that process their own payroll to also provide this service free of charge. There is no doubt that personal debt worries can cause severe anxiety and depression and that this in turn manifests itself in an increase in days off sick and reduced productivity, so it is vital that employers recognise this and support any initiative to mitigate this."

Organisations signed up to support the initiative include Capita, Lush and Cascade.

www.cipp.org.uk

Knowsley Council shows its confidence in Enterprise Credit Union

ENTERPRISE CREDIT Union welcomed Knowsley Borough Council as a corporate member in 2012 and the Council has now invested £50,000 of deferred shares into the credit union.



Enterprise
Credit Union

Changes to the law governing credit unions means that there are many more opportunities for credit unions to extend their services to new groups, including community groups and businesses. This also includes local councils, which spurred Knowsley Borough Council to contact Enterprise Credit Union (ECU) to become a corporate member in November 2012.

This was only the beginning and led to the start of a great working partnership between the Council and the credit union. Payroll deduction began for all employees and Elected Members in the Council and has seen a dramatic rise in membership. In addition to this, Knowsley Council became the first member to invest £50,000 "deferred shares" into the credit union. This was received in November 2013 and gave much needed loan capital at the credit union's busiest time of the year, enabling them to extend their instant loan facility even further.

Cllr Norman Keats, the Council's Cabinet Member with Portfolio for Finance and Information Technology, said: "Knowsley Council recognises the importance of the services that credit unions, like Enterprise, provide to our

residents and communities – they are a vital part of the Council's overall approach to tackling financial exclusion and the misery caused by high cost lenders.

"That's why this Council issued a pledge two years ago to make sure that every resident in the Borough could have access to affordable credit. To help make this happen, we've 'put our money where our mouth is' and we're delighted to be a corporate member of Enterprise Credit Union. We know that, by investing in a local credit union, this money will end up back in the pockets of our own residents when they need it and will save them thousands of pounds in interest payments."

Deb Lee, Head of Exchequer Services for the Council, said: "The work that Enterprise does is essential in helping people to access low-cost, ethical loans and a great range of savings accounts. The whole organisation is driven by the needs of its members and I was so impressed with their services that I became a member myself last year and haven't looked back! In fact, I am now an 'Ambassador' of the credit union and tell everyone that I can about it!"

Karen Bennett, Manager of Enterprise Credit

Union, said: "We're delighted that Knowsley Borough Council decided to become a corporate member of Enterprise Credit Union and we welcome their investment, which will help us to provide services to many more people in the Borough."

Enterprise Credit Union was established as Huyton Central Credit Union in 1988 and is celebrating 25 years in business. Its field of membership mainly covers the Borough of Knowsley in Merseyside, which has a population of over 140,000 people, and membership is open to both residents and those who work in the area.

ECU offers various products and services including savings based and starter loans, savings accounts and corporate member accounts. They also offer a payroll deduction scheme for a number of large organisations, including Knowsley Borough Council and Knowsley Housing Trust.

Over the last five years, ECU has delivered over £27 million in loans and its membership has grown at an average rate of 15% a year.

www.enterprisecreditunion.org

New kids on the block

FIFTY YEARS after the first credit unions in Britain, the model is more valued than ever, with a wide variety of groups establishing credit unions to meet the needs of different people. Here we look at some of the latest entrants to the sector. One of the first of these, the Polish Credit Union UK, launched recently; two more – Retail Credit Union and Churches Mutual Credit Union – are expected to launch later this year.

Polish Credit Union UK

THE POLISH Credit Union UK was launched in January 2014 at the Polish Cultural and Social Centre in Hammersmith, London. Open to individual and corporate members of the Association of Polish Engineers (APE) in the UK, the common bond of the credit union covers a large number of people of Polish origin who live in the UK. The credit union plans to be operational by May 2014.

Vice-Chairman, Andrzej Formaniak, says: "In accordance with the last census there are over 600,000 Poles in the UK. The majority of them decided to build their future here. They are a very dynamic group of young people, not necessarily well rewarded for their hard work. The credit union was set up because many Polish people who had come to Britain to work were finding it hard to access finance, open bank accounts and get small loans."

Following an approach from SKOK (the Polish credit union trade association), the Association of Polish Engineers – an organisation with more than 70 years' history in the UK – agreed to develop and support the creation of a credit union for its members. After over two years' partnership work between APE, SKOK and ABCUL, the credit union was approved by the regulators in December 2013.

The credit union was established with financial support from SKOK, with training and advice from ABCUL, as well as support from other British credit unions such as Plane Saver.

Currently the credit union has an office in West London and is looking to open four high street branches. However, as Andrzej says, most of its

transactions will be carried out online, with access to savings provided through debit cards. Payroll deduction will also be available.

The launch of the credit union was attended by representatives of the World, British and Polish credit union movements, including WOCCU Chair, Grzegorz Bierecki. He was joined by Bogdan Chmielewski, President and CEO of the Polish and Slavic Federal Credit Union in New York, which looks after over \$1 billion in assets on behalf of over 75,000 members. The event was hosted by MEP Ryszard Czarnecki, Chair of the Polish Credit Union UK, and ABCUL's Mark Lyonette made a presentation about credit union developments in Britain.

Speaking at the event, Grzegorz Buczkowski, Vice Chairman of SKOK, said: "We are very excited about this opportunity to bring credit union services to the large and dynamic Polish community in the UK. Credit unions serve more than two million members in Poland and we are proud to be able to share our experience and provide support to the excellent and committed initiative group of APE in order to help them build a credit union which – we are sure – will become a crucial part of the Polish community."

The credit union has set up a temporary website for initial enquiries and is currently working on a new one, which is expected to be ready by April 2014. The Board of 15 Directors and General Manager Mr Kris Ruszczyński are now in place and the credit union is in the process of recruiting office staff.

www.polishcu.co.uk



Polish Credit Union UK founders and friends on launch day in front of the Polish Cultural and Social Centre in Hammersmith.

Retail Credit Union

RETAIL CREDIT Union is expected to launch this summer and will serve the 4.5 million plus people who work in the retail sector in Britain.

The credit union is being sponsored by Retail Trust and major national and international retailers. It will have what is thought to be the largest field of membership of any British credit union to date.

Retail Trust was keen to establish a credit union for retail employees for a number of reasons. The Trust runs a retailHUB and helpline services for employees in difficulty and almost half the communications it receives are from people with financial issues. The Trust can help by giving a grant to members to help them pay off their debts, but it felt that this wasn't really getting to the root of the problem.

Richard Boland, Chief Executive of Retail Trust, says: "We were keen to provide a more long term solution for industry employees, not only to help keep them out of the clutches of high cost lenders, but to supplement the services offered by high street banks."

The Trust also operates an employee assistance programme, which has over 850,000 members sponsored by their employer. This is a voluntary benefit offered to retail workers and includes things like a telephone helpline, counselling and debt advice. The Trust, as well as many of the retailers, felt that a retail credit union would be a valuable addition to the range of services offered.

Richard adds: "There are over 1.6 million people in the industry who earn less than £8 an hour. Of all industry sectors in the UK, retail has one of the largest number of low income employees, so the need is significant."

Adrian Davies, who has been advising Retail Trust, says: "This will be a very modern credit union, which will hit the ground running from day one and is expected to grow dramatically. The credit union will be available online and through mobile apps offering competitive loans, bonds, ISAs and other savings accounts."

Adrian stresses that the credit union won't just be for those on low incomes, but will be for everyone in the industry, and is aiming to attract 50,000 members in five years.

"It's an ambitious goal," says Adrian, "but with funding in place and such a large common bond, there's no reason why it shouldn't be achievable."

www.retailcure.org.uk



Richard Boland.

Churches Mutual Credit Union

CHURCHES MUTUAL Credit Union (CMCU) will be a new credit union for clergy and church staff which is set to launch in the autumn.

The credit union is an alliance between the Anglican churches in Britain, the Church of Scotland and the Methodist Church in Britain. As well as offering the benefits of credit union membership to ministers, trustees and those employed by the Church, CMCU will continue to show the Churches walking the walk as well as talking the talk of ethical investment.

Antony MacRow-Wood, former President of ABCUL, who has been driving the project, says: "I first proposed a credit union for clergy 20 years ago. We share similar values and live for the most part on fixed but relatively modest incomes so we need help to even out the peaks and troughs of expenditure; we also need to save for retirement when we lose our job related accommodation. In other words we have all the elements of a perfect mutual society in which we work together to help each other."

The Revd Dr Malcolm Brown, the Church of England's Director of Mission and Public Affairs, says: "The CMCU is a strategic initiative which will not only serve the staff of our respective churches but conveys the important fact that credit unions are for everybody and not just about helping the worst off. Together with our partner churches, the Church of England is working to support local credit unions across the country and to strengthen the role of credit unions within a more diverse and competitive financial sector."

The Methodist Church announced in January that it had agreed to become a partner in the credit union, following a Methodist Council meeting in London.

Methodist Connexional Secretary Doug Swanney says: "The work that credit unions do is essential in helping people to access low-cost, ethical loans and savings accounts. Getting on board with this movement fits perfectly with the values of the Methodist Church and we are excited about the opportunity to enthuse people about the work of credit unions and to make their benefits available as widely as possible."

Antony MacRow-Wood adds: "We are delighted to be pursuing this project in partnership with other denominations. In due course, we intend to extend the common bond to include other denominations and all active church members but that is some years in the future. Our immediate priority is to build a viable credit union by concentrating on those who can be served by payroll deduction. This will give the Churches credibility to extol the virtues to other employers of offering credit union membership by payroll deduction to their employees."

www.cmcu.org.uk



Pictured from left to right are the Revd Antony MacRow-Wood, Clergy Mutual Credit Union Study Group; the Archbishop of Canterbury, Justin Welby; the Revd Dr Malcolm Brown, Director of Mission and Public Affairs, Church of England, and the Revd Ewan Aitkin, Secretary to Church and Society Council of the Church of Scotland. (Picture: Keith Blundy, Aegies Associates.)



June Smith

Credit union pioneer in Greater Manchester

By Paul A Jones,
Manchester Credit
Union and Liverpool
John Moores
University.

ON THURSDAY 2 January 2014, at Dukinfield Old Chapel, over 300 people came together to mourn the passing of June Smith, one of the best known and loved pioneers of the credit union movement in Greater Manchester.

People from credit unions throughout the North West came to remember June and to take part in a celebration of her life and achievements. She had been involved in the credit union movement for a quarter of a century and is widely recognised as having made a significant contribution to the development of the sector.

With Chris, her husband and equally well known credit union pioneer, June became involved in credit unions towards the end of the 1980s. Like many of us at that time, June was attracted to credit unions because they were grounded in the community, were committed to people and were able to make a real difference in the lives of people struggling on low incomes. At the time, June was already actively engaged in a range of youth and community projects and she knew intimately the economic distress caused in people's lives through a lack of savings and of having constantly to borrow from high-cost lenders.

With Chris, and a group of local volunteers, she pioneered the setting up of West End Credit Union, which operated in an area of high social and economic deprivation in Tameside, and she served on its board of directors for several years. Soon afterwards she was a prime mover in the creation of Dukinfield Credit Union, established to serve the town where she and Chris lived. As a board member in Dukinfield, she became increasingly immersed in

the credit union sector and its expansion throughout the region.

Throughout the 1990s, June was a leading light and promoter of the Greater Manchester Chapter, and its chair for several years. In those days, the Chapter played a major role in training provision and in embedding credit union ideals and principles in the hundreds of volunteers now engaged in the movement. The Chapter promoted credit union education but it also built social links and connections, through which life-long friendships were built and sustained.

Regularly on Saturdays June was involved in arranging Chapter training events followed by socials and even pub crawls. With Chris, she launched the Chapter Song Book, which was used over and over again at Chapter socials and even late into the night at ABCUL AGMs. With inspiration from people like June, Greater Manchester Chapter became renowned throughout the national credit union movement. June was a chair of the chapter officers' working party, through which she was able to share her enthusiasm for credit unions with people throughout the country. She spent hours on projects all aimed at developing the movement so that it could better serve the people for whom she cared.

Major player

June was a major player in developing the Credit Union for Tameside Employees, now Cashbox, where she was the part-time manager for two years, both up to and consequent to its registration. In 1998, she became the full-time manager of Moneyspinner Credit Union, which had been created through the merger of Hattersley and Dukinfield credit unions.

It was through this period of managing a credit union that June took on board the new approaches to credit union modernisation and expansion, in Moneyspinner and in her work throughout the Chapter. She was inspired by a vision that credit unions could strengthen and become the sorts of professional co-operative financial institutions that could bring major benefits to the whole community. It was this vision that eventually led to Moneyspinner becoming part of Manchester Credit Union.

June remained as manager of Moneyspinner Credit Union until the onset of her illness in 2006. When she became ill, June's spirit of taking on a challenge shone through, as it had done during her time in credit unions. Rather than retiring into a shell, June was determined to live life to the full, and not to be a beaten spirit. Even in the period after 2010 when the cancer returned with a vengeance, she took on new challenges: she painted; she sang in a choir and became an active member on the Dukinfield Trust Fund for The Christie Hospital Committee.

In her work in credit unions and in her personal life, June's sense of life, laughter, engagement, and belief in people had an impact on us all. June communicated a love and a care for people, both personally and through her work in credit unions. Credit union members, friends and colleagues could always count on June. She was always there for people, even when the credit union was at its busiest.

Above all she was always there for Chris her husband, friend and in later years carer. For 40 years June remained steadfast in her love for Chris as indeed Chris did in his love for June.

Lifetime achievement award

In October 2012, June was presented with a lifetime achievement award as a pioneer of the credit union movement in Greater Manchester by Sir Richard Leese, Leader of Manchester City Council, at Manchester Town Hall, on behalf of Manchester Credit Union.

We will never forget the impact June had on our local communities, on our lives personally, and through her work in credit unions on the lives of thousands of people throughout Greater Manchester. It is people like June who ensure that credit unions are not just some form of bank, but are organisations truly made up of people helping people. May she rest in peace.



CUNA MUTUAL GROUP



Faye Patzner, Senior Vice President and Chief Legal Officer for CUNA Mutual Group, at ABCUL Annual Conference 2013.



CUNA Mutual - a brief history

CUNA MUTUAL was established in 1935 by the pioneers of the credit union movement in the United States in order to provide insurance products for the early credit unions. Since then, CUNA Mutual has developed into a diverse financial services organisation dedicated to credit unions and credit union members around the world.

CUNA Mutual has had the pleasure of supporting credit unions and members in the UK since 1976. In recent times we are delighted not only that we were able to create a unique Loan Protection and Life Savings insurance pool specifically for ABCUL credit unions but also to have developed and launched Payment Waiver, assisting to close the protection gap and helping provide credit unions with the confidence to lend and for their members to borrow.

To find out more about Payment Waiver please contact: Bobby Gould at Bobby.Gould@cunamutual.co.uk or call 07901 852 625, or Lucy Shardlow at Lucy.Shardlow@cunamutual.co.uk or call 07919 887 376.



Autumn Conference 2010.



ABCUL AGM 2010.



WOCCU 2012 - Poland.



The photos above are a clear reminder of some good memories from years gone by and we at CUNA Mutual are looking forward to sharing many more well into the future.



Congratulations – with 50 years of growth behind us and an exciting future ahead we are delighted and proud to have been there to support the credit union movement on that journey.

This year CUNA Mutual and ABCUL signed up to another three years of partnership and mutual support. We are particularly proud that in this year, which marks 50 years since the first credit union in Britain, we have been there, at your side, for most of them. Over those years we have been advocating, supporting and promoting credit unions and their critical role in Great Britain.

As I write this, it is particularly pleasing to see the movement on the cusp of momentous growth and change. You are about to embark upon an exciting transformational period. We're proud of the work you do and proud to be part of this exciting future. This growth will see your ethos extended and your services offered to even greater numbers

of people in Britain. CUNA Mutual will commit to play a big part in supporting you during this change. We will work hard to keep our service levels at the high standard your members deserve and we will continue to bring you member led product and service innovations that will help you grow.

We particularly enjoy the yearly conference where it is great to hear so many credit union leaders speak openly and confidently about the difference they and their colleagues make throughout their community. They have a right to be proud and to be confident. Theirs is a promise built on providing a credible, reliable and trustworthy service for both savings and loans. They operate for their members and put their interests at the centre of all their decisions. At a time when credibility and trust in financial service providers is at an all-time low, credit unions stand out as a unique example of putting the member first.

Put simply, we believe there is a bright future ahead of the British credit union movement and we at CUNA Mutual will be there to support you every step of the way.

Paul Walsh, CEO