

A

C

E

Credit Union Services

MEMBERS' NEWSLETTER

April 2015

INSIDE THIS ISSUE

Pages

- 1 ACE secures contract to deliver Barclays Credit Union Programme
ACE Annual Conference & AGM 2015
ACE web-site members' area
- 2 Regulators announce removal of FSCS protection from credit union deposits
HM Treasury published response to "call for evidence on credit unions"
Another Scottish credit union joins ACE

ACE Conference & AGM last call for overnight delegates

This year's Conference & AGM is being held at the 4* Park Royal Hotel in Warrington on the 15th-16th May 2015 and bookings for the event have been coming in quickly. If you have not yet booked as an overnight delegate but you still wish to do so you will need to be quick as almost all of our pre-booked rooms have now been allocated. The booking form can be found at www.acecus.org/Annual_Conference_2015

This year's programme includes several guest speakers from the Prudential Regulation Authority, the Financial Conduct Authority, the Department for Work and Pensions, HM Treasury, Barclays, the Financial Inclusion Centre, the Chartered Institute of Payroll Professionals (CIPP) and the Financial Ombudsman Service. In addition to the confirmed list of speakers there will also be a number of workshops on relevant credit union issues. The Annual General Meeting will take place at 4pm on Saturday 16th May 2015, so please forward any resolutions that you wish ACE members to consider at the AGM.

ACE secures contract to deliver Barclays Credit Union Programme

In April 2014, Barclays announced a new £1 million fund for credit unions to be spread over 4 year period with the aim of using this investment to help credit unions to grow and expand, enabling them to serve many more people in their communities and help particularly disadvantaged groups of people to gain access to a source of crucial affordable credit.

Following the announcement of the £1m fund ACE has been working closely with fellow trade association UKCU to put in joint application to deliver the Capacity Building element of the Barclays programme. Following a stakeholders meeting with Barclays in January 2015, ACE and UKCU have been selected to develop a new training programme for successful credit unions, in partnership with London based establishments Toynbee Hall and the Financial Inclusion Centre.

The Barclays programme will focus solely on credit unions and will fund the training and support of a team of advisors to provide a capacity building training service that will help the successful credit union bidders to grow and develop and provide financial guidance for financially excluded members who would benefit from such support.

Antony Jenkins, CEO of Barclays says "Barclays has a long and proud history of supporting credit unions - we recognise the sector plays a crucial role in a healthy economy. That's why, as part of our new programme, we are committing £1m of support to help improve the skills and capabilities of credit unions across the UK. Through this programme, as well as the time and expertise of our colleagues acting as mentors and trainers, we're contributing to a sustainable positive impact."

The benefits to successful credit unions will be the provision of free training and the involvement of Barclays staff on a voluntary basis. Barclays is looking to collaborate with all UK credit union trade associations to ensure that all credit unions have equal access to this programme.

Bill Hudson, CEO of ACE says, "We are delighted to have been selected with UKCU to deliver the Barclays Credit Union programme. It is a recognition that through collaborative working the smaller trade associations like ACE and UKCU can provide a valuable training service to all UK credit unions regardless of which group they are affiliated to."

The closing date for the first round of funding applications is the 7th April 2015. The selection process will then see between 8 and 10 successful credit unions benefit from the fund with training being provided between June and November 2015.

ACE web-site members' area

Just a quick reminder that the new ACE website has a Members' Area which is an ideal way to share information, resources and best practice with each other; to ask or answer questions; or to seek or offer help in other ways. Please check on a regular basis to see what's going on with your colleagues.

If you do not already have a login account, or if any of your credit union colleagues would benefit from having a login account, please use the contact form at www.acecus.org/contact selecting "web site" from the drop-down list and entering "login account request" or similar in the subject box.

Please note: Any volunteer or employee of an ACE credit union is eligible for a login account.

Regulators announce removal of FSCS protection from credit union deposits

In spite of concerns expressed by ACE and all of the other credit union Trade Associations at Trade Bodies Meetings concerning proposed changes to the UK's Deposit Protection Scheme, administered by the Financial Services Compensation Scheme (FSCS), the Prudential Regulation Authority (PRA) has issued a Policy Statement and Rules that confirms that credit unions' own funds and deposits with other UK deposit takers, such as retail banks, will no longer be guaranteed by FSCS. This means that were such a deposit-taker to become insolvent a credit union's deposits with it would not be covered by FSCS. ACE had written to all of the main political parties to

express concern about the catastrophic impact that this proposal could have on the vast majority of credit unions in the event of any future bank failures. The ACE trustees were extremely disappointed to hear that credit unions were to be treated in the same way as all other "credit institutions" without consideration of the invaluable services that the movement provides to some of the UK's most disadvantaged communities. In addition to this disappointment, which is the result of a European Union directive, the PRA has also announced that all credit unions will in future be obliged to co-operate with FSCS in the verification of their Single Customer View (SCV) files by

submitting them electronically for that purpose. This rule will remove the previously available "opt-out" clause for credit unions with under 5,000 members. Along with other Trade Associations ACE had argued, in our joint consultation response with UKCU, that this would be problematic for those credit unions that do not currently use electronic systems as part of their everyday business operations. Unfortunately these concerns were once again dismissed by the PRA.

Due to the forthcoming general election the usual April meeting of the trade associations and the regulators has been cancelled. The next meeting with the regulators will now be held at the Bank of England on the 25th June 2015, when the PRA and the FCA will outline the proposed changes to the prudential rules.

HM Treasury publishes response to "call for evidence on credit unions"

Having received more than 80 responses to its "British credit unions at 50 Call for Evidence", HM Treasury has published its response with the following Summary of actions:

- committing to fund the pilot savings programme established by the Archbishop of Canterbury's *Credit Union Taskforce*
- tasking the PRA and FCA to use the evidence gathered by the Government in their review of the Credit Union Sourcebook
- actively considering legislative amendments to be pursued in the next parliament
- ensuring that all credit unions are engaged as the *Credit Union Expansion Project* begins to deliver more products

In a list of key messages from the Government there were some important observations that will hopefully be included in any future government support for credit unions:

- the government recognised the diverse nature of the British credit union movement and welcomed credit unions of different sizes and approaches
- the government is concerned that the legislative and regulatory framework maybe unnecessarily holding back those who want to expand and innovate
- the government agrees that credit unions cannot simply serve the financially excluded but must attract a broader membership base
- the government accepts that credit unions are not always a direct alternative to high-cost, short-term lenders

The [response](#) was published at the end of December and can be accessed at

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/389657/credit_unions_response_to_call_for_evidence.pdf

Welcome on board - another Scottish credit union joins ACE

The ACE trustees would like to welcome Blackburn, Seafields & District Credit Union based in Livingston, Scotland as the latest credit union to join ACE. This is a welcome addition to ACE membership and we look forward to working closely with our new recruits.

ACE Credit Union Services contact details:

Office: **2 Ocean Way, Cardiff, Wales, CF24 5TG**
Phone: **02920 674851**
Mobile: **07814 165691**
Email: **bill.hudson@acecus.org**
Web-site: **www.acecus.org**