



# ACE Credit Union Services MEMBERS' NEWSLETTER May 2018

ACE Credit Union Services

## Whitehaven, Egremont & District Credit Union Wins National Award

Whitehaven, Egremont & District Credit Union (WEDCU) has received £3,000 to continue its work to stamp out illegal money lending in the town and surrounding areas.

The National Stop Loan Sharks Awards, hosted by the Illegal Money Lending Team (IMLT), recognise organisations that help the fight against loan sharks in communities.

Andrea Dockeray, manager of Whitehaven, Egremont & District Credit Union, said: "We are delighted our campaign to combat illegal money lending has been recognised nationally

"We would like to thank the local community for their support and our volunteers who work really hard supporting the work we do every day.

"The award is a welcome boost and will allow us to continue raising awareness of this crime and protecting our local communities from falling victim to loan sharks."

Tony Quigley, Head of the England Illegal Money Lending Team, said: "We are delighted to present

Whitehaven, Egremont & District Credit Union with this award.

"They have contributed to making a difference and tackling this crime in their community and we are thankful for the work they do to raise awareness of illegal money lending.

"Loan sharks are a scourge on society and cause harm and misery to their victims."



*Tony Quigley hands over the national award to Andrea Dockeray, Development Manager and Peter Tyson, Chair of Whitehaven, Egremont & District Credit Union.*

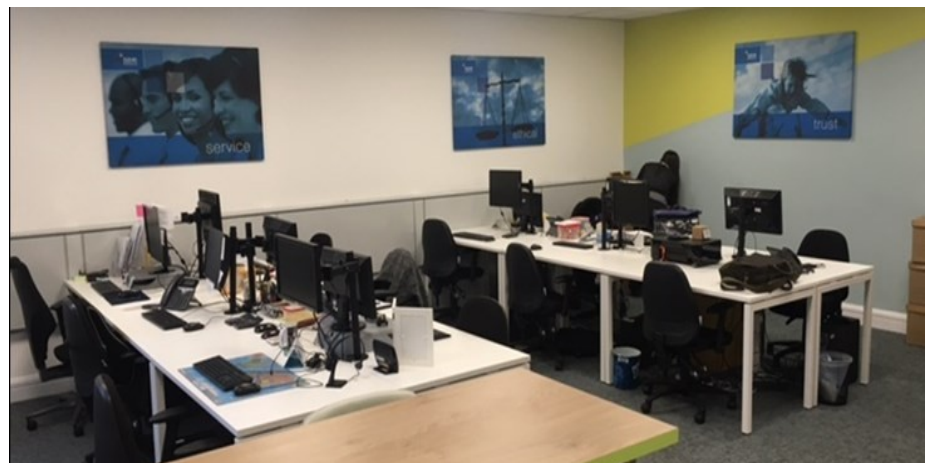
## Citysave Credit Union moves to new premises

Citysave Credit Union has moved to a new home in Colmore Gate in Birmingham city centre. The credit union has been providing ethical financial services, to people in the city for around 30 years.

Chief executive officer Nigel Bailey said: "I am delighted to see the credit union investing for the future. The credit union benefits from a strong and supportive board of directors who support a vision to modernise our service delivery and make Citysave accessible to a wider range of members."

"The move enables the credit union to further protect customer data and the improved web connectivity in our Colmore row office will enable the credit union to introduce upgraded online services to our members very shortly."

Citysave hopes to attract local employers to support a growing campaign - supported by the actor Martin Sheen - to provide access to protected savings and fair priced loans direct from payroll deductions.



## Grampian Credit Union - celebrating 25 years of savings and loans to people living in North East of Scotland

Grampian Credit Union is celebrating 25 years of providing fair affordable loans, and safe savings to members throughout the North East of Scotland.

Grampian Credit Union was incorporated in 1993 for the purpose

of providing savings and loans to the employees of the former Grampian Regional Council. It has since grown and expanded its common bond to people living or working in the whole north east of Scotland (Aberdeen City, Aberdeenshire and Moray).

Grampian Credit Union currently has £4.8 million in assets and helped over 9,500 people in our community with safe savings and fair affordable loans.

We are grateful for the opportunity to serve our community in north east Scotland and thank everyone who has contributed to our success.



Chief Executive Officer Chinyere Adeniyi-Alade takes a Team Selfie in Aberdeen

## ACE Conference in York highly rated by delegates

With more than 50 delegates from 14 different credit unions attending the 2018 Conference in York on the 11<sup>th</sup> and 12<sup>th</sup> May, feedback received from delegates evaluation forms was hugely positive and complimentary about both the Park Inn venue and the Conference programme. 95% of delegates rated the Park Inn venue as either “good” (35%) or “very good” (60%).

Nancy MacGillivray was appointed as Conference Chair and she welcomed both Delegates and Exhibitors to the 16<sup>th</sup> ACE Conference since ACE began. Nancy said that she believed that ACE was a member focussed trade association which made ACE stand out from others for valuing each and every ACE member, regardless of size or scale.

There was a range of speakers on the Friday afternoon which started with Phil Goad from Moneywise Credit Union asking delegates whether they were still wearing their “comfortable shoes.” Phil challenged delegates to accept that change was essential for any credit union that wanted to survive in the long term. He urged all credit unions to look at the age of their Board members and to have a succession plan for key directors and key staff members rather than just letting change happen. He said that credit unions need to be more customer focussed and better at supporting local communities. We all need a plan for when our comfortable shoes wear out.

Theodora Hadjimichael, Policy & Research Manager at Responsible Finance then spoke about the UK credit union movements relationship with CDFIs. Theodora said that local partnerships were working commonly already driven by potential customer benefits and not organisational benefits, although there were existing tensions between the sub-sectors

with different cultures and at times competition for political championing. Theodora spoke of the three possible partnership models which were: the *referral model* led by a Service Level Agreement, the most successful example of this being the partnership between Scotcash (CDFI) and Glasgow Credit Union; the *consortium model* working together to offer customers home credit loans, short term loans, savings and white goods; and the *Integrated model* with the credit union and CDFI under the same organisational umbrella. Delegates from various areas said that they agreed that credit unions and CDFIs should be working more closely together but that all attempts to formalise any partnership had been rejected by various CDFIs. This is an area where ACE and Responsible Finance should work more closely together.

Akmal Hanuk from the Islamic Banking & Finance Centre then spoke about the potential for credit unions to work in partnership with an Islamic, values based model of finance, called Assadaquaat Community Finance. The Assadaquaat model is based on the principles of stewardship, benevolence, common good and accountability. Akmal suggested that the principles of Islamic finance and credit unions were not dissimilar with the major difference being the charging of interest by credit unions. Assadaquaat Community Finance will focus on the build up of a fund that will be provided by individuals wishing to pay back to society for their strong financial position, by investing money to encourage entrepreneurship, which is seen as a key driver for innovation, productivity, growth & socio-economic progress. With credit unions not being experts on business lending they could work with Assadaquaat Community Finance instead, to offer interest free loans to members at no risk to members savings. The aim of Assadaquaat Community Finance is to promote financial inclusion, eradicate poverty and address inequality.

Continued on page 3



*Continued from page 2*

Gareth Evans from the Financial Inclusion Centre (FIC) finished the Friday afternoon session with his presentation on the research that FIC had undertaken as part of the Barclays Credit Union Support Programme, which has been delivered by ACE and UKCU since 2014. This research is the largest ever insight into existing credit union members with almost 12,500 members completing surveys across 28 different credit unions. This research demonstrates the impact of credit unions and whether they are meeting members' expectations and needs. 89% of those who were asked about the financial goods provided by their credit unions rated these as either "good" (38%) or "very good" (51%). In a similar "Which?" survey on customer satisfaction, banks scored just 66%. Credit union customer service ratings were again high at 85% with 34% saying "good" and 51%, saying "very good". Gareth said that this demonstrated the importance of the broad range of financial services provided by credit unions, with the majority of members using theirs as a source of borrowing. With relatively low decline levels (16%), this made credit unions an invaluable affordable alternative to high cost lending. Again 84% of those questioned said that would recommend credit union membership to a friend. In spite of these impressive ratings, Gareth suggested that there were still plenty of challenges if credit unions were to play more than a marginal role in meeting the financial needs of consumers and local communities.

The Saturday session was started as always by presentations from the credit union regulators. Ciara Forde from the Financial Conduct Authority (FCA) focussed on the vital part that good governance plays in producing good credit unions. Ciara emphasised the importance of strong organisational structure and clear reporting lines that mean that individuals know what they are responsible for and whom they should report to. A regularly reviewed business plan and strategy document will provide direction, purpose and clear milestones, allowing credit unions to measure success. Finally, she highlighted the importance of documented policies and procedures to ensure that everyone knows what they need to do and when, including the consequences of failing to do so. Credit unions should be run by people with appropriate skills, where members are protected and treated fairly. Ciara said that credit unions were at risk when they failed to have up to date policies and procedures and where there is a weak Board structure which could lead to operational issues taking priority and nobody 'steering the ship'. An absence of a future plan and a lack of knowledge of regulatory changes could also have detrimental impacts. Succession planning was crucial to identify key areas to improve and diversify the board.

Unfortunately Chris Donald's presentation from the Prudential Regulation Authority (PRA) cannot be be

made available for ACE members to download due to Bank of England security regulations.

Gareth Evans from the Financial Inclusion Centre made his second presentation on how credit unions could attract new members by designing products that can better meet the customers' needs. Gareth spoke of an innovative solution that utilises technology to meet growing demand for online instant loans and automated process to generate new loan demand for a market segment that credit unions are not serving. Gareth spoke about the "Gateway" product, being used by London Mutual Credit Union (LMCU), that over a 5 year period had benefited more than 25,000 new and existing credit union members, loaning out more than £7m with a bad debt rate of just 1.85%. The successful platform introduced by LMCU is now also being used by Leeds Credit Union and Pollock Credit Union. Gareth then spoke about "Just Borrow", a product being used by a number of credit unions with shared branding, marketing and promotional materials. Lewisham Plus Credit Union is the first on to the new shared platform.

Gareth finished by talking about the Credit Union Homeware Scheme called "Own Comforts" which has been introduced by Leeds Credit Union and which offers members loans to purchase energy efficient white goods at low competitive prices. Launched in November 2018 (called Laingham & Webb) there will be a new shared scheme for all Credit Unions which will be available from Summer 2018.

The Conference presentations were completed by Tony Quigley, head of the Illegal Money Lending Team (IMLT), who spoke about the ongoing challenge to fight against loan sharks causing misery in our communities. Tony said that he thought credit unions had a key role to play in the battle and that the IMLT were developing strong relationships with credit unions and rewarding them financially by using funds through the Proceeds of Crime Act (POCA). Delegates were shown some disturbing evidence of how catastrophic the consequences of becoming a loan shark victim are.

The 2018 Conference concluded with the delivery of three excellent workshops:

**Workshop 1: Assigning Responsibility & Accountability in a Credit Union**

Dermot O'Neill  
CEO Scottish League of Credit Unions

**Workshop 2: Human Trafficking**

Kathryn Burgess-Gould  
Financial Crime Controls Officer – Barclays Private Bank

**Workshop 3: The Credit Union Customer Journey**

Andrew Breese  
Director - Moneywise Credit Union

## Election of Directors

The following delegates were nominated and elected at the ACE AGM in York:

- Dorothy Brown MBE – Clivey Credit Union
- Angela Fishwick – Unify Credit Union

Both elected for an initial period of 3 years.

### Directors up for re-election:

- Bill Hudson, CEO
- John Richards – Newport Credit Union

Both elected for a further period of 3 years.

### All other directors – length of office

- Robert Buckley – (Moneywise) – 2 years
- Nancy MacGillivray – (West Lothian) – 2 years
- Malcolm Richards – (Falkirk) – 2 years
- Alan Robson – (North Tyneside) – 2 years
- Wyndham Conniff – (Newport) – 1 year
- David Eadie – (Falkirk) – 1 year
- Sue Gurney – (Clivey) – 1 year

## ACE Conference 2019

At the York AGM members were asked to consider where they would like to 2019 ACE Conference & AGM to be held.

Locations suggested at the AGM were:

- Liverpool
- Salford
- York
- Scotland

Members will be able to vote for their preferred venue through a poll in June 2018.

## Long-awaited meeting with Credit Union Regulators coming soon

The first meeting between the credit union Regulators and UK credit union Trade Associations will take place at the Bank of England Moorgate offices on the 17<sup>th</sup> July 2018.

This will be the first such meeting in just over a year due to the cancellation of the meeting scheduled for December 2017, by the Regulators. If you would like me to raise any Regulatory issues with either the PRA or the FCA please let me know at least two weeks before the date of this meeting ([bill.hudson@acecus.org](mailto:bill.hudson@acecus.org)).

## New Website – members' suggestions for change

At the York Conference ACE members were asked for their suggestions on how the Board could improve the ACE website and this is what they said.

### Key

- **Article publishing** – authorised contributors, releasing and retiring articles, prioritising articles, etc.
- **Forum** – proper forum with moderation tools, etc.
- **Self-service password reset**
- **Resource library** – collections of documents and tools for registered users
- **Calendar of key events** – to show reporting deadlines as well as ACE events, etc.
- **News letter management** – publishing and archive for PDFs, etc.
- **Private and public access** – with different materials and rights

### Additional

- **Dynamic news feeds** – for key words/terms such as “credit union”
- **Training resources** – videos and questionnaires with progress reporting/tracking (allowing ACE to become a key resource for CUs)
- **Event organising** – tie in ability to coordinate and organise events (like Training Days, etc.) e.g. Eventbrite
- **Board member area** – if you have the rights access to Board Minutes, agendas, supporting materials, etc.

A Steering Group has been set up to address website improvement and will take on these suggestions and report back on progress at the August 2018 Board meeting.

## Barclays selects credit unions for the final project year

The Barclays Credit Union Support Programme Steering Group has selected a further 10 credit unions to benefit from the final year of the Barclays Support programme which includes 3 ACE credit unions from Wales. The successful ACE credit unions were Brecon Credit Union, Islwyn Credit Union and Newport Credit Union. Lead associates have now been allocated to the 10 credit unions with individual planning and assessment days taking place in June 2018. ACE CEO, Bill Hudson said:

“It has taken more than 3 years for a Welsh credit union to even apply to be a part of the Barclays Project and it is ironic that in the final year we had 3 applications, all of which were successful”.

The Barclays Project is delivered by ACE in partnership with UKCU and Toynbee Hall and over the 4 years of the programme will have benefited 39 UK credit unions.

### Barclays Beneficiaries



Year 1 (2015/16):	Year 2 (2016/17):	Year 3 (2017/18):	Year 4 (2018/19):
<ul style="list-style-type: none"> <li>• Bradford District</li> <li>• City of Plymouth</li> <li>• CitySave</li> <li>• Gloucestershire</li> <li>• Hoot</li> <li>• London Community</li> <li>• Unify</li> <li>• West Lothian</li> <li>• Whitehaven Egremont &amp; District</li> </ul>	<ul style="list-style-type: none"> <li>• Lincolnshire</li> <li>• Pioneer</li> <li>• Salford</li> <li>• Tees</li> <li>• Warrington</li> <li>• Blackburn, Seafield &amp; District</li> <li>• Grampian</li> <li>• Hull &amp; East Yorkshire</li> <li>• Kernow</li> <li>• Manx Steering Group</li> </ul>	<ul style="list-style-type: none"> <li>• Advance</li> <li>• Derbyshire</li> <li>• Eden &amp; S Lakeland</li> <li>• Falkirk &amp; District</li> <li>• First Choice</li> <li>• Hannahstown</li> <li>• Lewisham Plus</li> <li>• Moneywise</li> <li>• Prince Bishops</li> <li>• Suffolk</li> </ul>	<ul style="list-style-type: none"> <li>• Brecon &amp; District</li> <li>• Commsave</li> <li>• First Rate</li> <li>• First Scottish University</li> <li>• Islwyn Community</li> <li>• Just</li> <li>• Manchester</li> <li>• Newington</li> <li>• Newport</li> <li>• YourB Steering Group</li> </ul>

## Welsh Government “ring-fences” £500,000 funding pot from Westminster to support Credit Union Capital Requirements

At a meeting of the Credit Union Collaboration Group held in Treforest, south Wales, on the 21<sup>st</sup> May, 2018, Welsh Government officials announced that a total of £500,000 was to be “ring-fenced” for Welsh credit unions that were struggling to meet and maintain their regulatory Capital assets ratios. The fund from which the money will come, if needed, is the Financial Transaction Capital (FTC) fund, which is allocated from Westminster annually. This decision came following a meeting between CEO Bill Hudson and Finance Minister Mark Drakeford AM.

FTC is a form of capital investment which is also sometimes referred to

as ‘net lending’ or ‘policy lending’. It forms part of the Welsh Government’s overall capital spending power. However, there are some important distinctions between FTC and general capital. FTC can only be used for loans and equity investment and a proportion of the funding must be repaid to the Exchequer.

CEO, Bill Hudson said “this is just another example of the Welsh Government responding to the needs of Welsh credit unions. Such funds can be hugely beneficial to those credit unions that may be struggling to meet the regulatory capital requirements, which increase as credit unions grow.

Although these loans are repayable, the aim is to offer these funds as subordinated debts, so that they become classed as capital, at 0% interest, which are repayable over a minimum period of 5 years”.



Llywodraeth Cymru  
Welsh Government



## Credit Unions are falling victim to “cyber-crime” - so beware

The personal data of about 15,000 members of a credit union has been stolen in a “cyber-attack”. Sheffield Credit Union (SCU) said information including names, addresses, national insurance numbers and bank details had been accessed.

The attack happened in February 2018 but only came to light recently after hackers threatened to publish the data unless a ransom was paid.

South Yorkshire Police said it was working with SCU and Action Fraud.

The credit union said the breach may leave members open to attempts to defraud them.

In a letter to its members, SCU said: "We are writing to all of our members to inform them that Sheffield Credit Union was the victim of a 'cyber-crime' incident, which is believed to have taken place on 14<sup>th</sup> February 2018 but only recently came to light.

"This incident may expose you to text messaging, cold calling and attempts to defraud."

It said that since the theft it had "reviewed and increased" its security and details of the attack had been passed to the relevant authorities, including police and Information Commissioners Office (ICO).



Fiona Greaves, chairwoman of SCU, said it was believed hackers accessed the data using a so-called "brute-force" attack, where they bombard computer systems with different password combinations in the hope of effectively guessing the correct one through trial and error. She said: "We are taking it extremely seriously.

"[Members] do not need to worry that the loss of the data is going to mean wholesale fraud, we are warning people that it has happened and that they need to be aware that potentially someone could have got hold of their information."

SCU has advised its members to monitor their bank and credit report for any unusual activity.

An ICO spokesperson said: "We are aware of an incident in relation to Sheffield Credit Union and we are making enquiries."

## Farewell to Jeff Hopkins

Delegates at the AGM were given the sad news of the passing away of long time ACE member and former ACE Director Jeff Hopkins from Saveeasy Credit Union in Llanelli, at the age of 75.

ACE Director Wyndham Conniff said that ACE and the credit union movement generally had lost an inimitable character in Jeff. Wyndham, who went to the same school as Jeff, said that his nickname at school was "Hoppy" and that the ACE Board was asking members permission to rename the ACE Conference Bursary Fund the "Hoppy" Fund. This suggestion was accepted by the AGM delegates.



## Congratulations and good luck to Donna Beswick

Congratulations and good luck to Donna Beswick, Admin Assistant at BAG Credit Union in Wales. Many of you will have met Donna at the York Conference.

Donna is getting married to Darren Brown on Friday 1<sup>st</sup> June, 2018 and then going into hospital for an operation on Monday 4<sup>th</sup> June 2018 - what timing! Good luck to Donna and Darren from all at ACE.

# NEWCU 25<sup>th</sup> Anniversary Celebration

On Saturday 26<sup>th</sup> May North East Warrington Credit Union (NEWCU) celebrated 25 years of supporting the local community. This celebration was also the swansong for former CEO Alex Duff who has dedicated his life to serving the community through NEWCU over the 25 years since its inception. Although Alex has now

officially retired he said he will carry on supporting NEWCU as and when he is needed.

We were honoured by the presence of the Lady Mayor of Warrington, Cllr. Karen Elizabeth Mundry, and her consort Cllr. Hans Mundry who were welcomed on their arrival by John Askins, NEWCU's CEO.



After the excellent three course meal, speeches by the Lady Mayor, the CEO and Chair Sandra Bradshaw included a presentation to Alex for his fantastic service to the community and huge success in building up NEWCU. He leaves with the head office building

owned outright, the credit union growing, and the finances in rude health. A fine legacy.

The Volunteer of the Year for 2016/2017 was awarded to Carol Dobson. This was a thoroughly deserved award for Carol's tireless dedication to serving the community.



The subsequent entertainment was most enjoyable, including a musical entertainer, bingo, raffle prizes and dancing. It was a very successful celebratory evening.

Poulton North Savings Club was established in March 1993. The Savings Club prospered and in 1994 was granted the right to operate as a credit union. The credit union

subsequently amalgamated with Poplars' Credit Union in 2002 and the organisation became North East Warrington Credit Union, reflecting the catchment area it then served.

Fast forward to 2018 and its Common Bond area covers the whole of Warrington (population around 200,000) with a membership of over 2,000.