



Department
for Work &
Pensions

DWP – Supporting the credit union sector

**ACE – Conference May 2015
Warrington
Paul Manning**

Agenda

1. Government Support for Credit Unions
2. Credit Union Expansion Project – update
3. DWP - supporting the credit union sector
4. Raising Awareness of Credit Unions across Government
5. Questions

Government Support for Credit Unions

- DWP and Government believes it is essential that everyone has access to affordable, good-quality financial products and that credit unions have a role in providing this vital service.
- Credit unions and community finance organisations offer a real alternative for people who are unable to access financial products and services through mainstream banks and other financial institutions.
- Between 2006 and 2012, DWP Growth Fund invested £113 million in around 150 credit unions and Community Development Finance Institutions to provide low-income households with affordable credit, as a substitute for the high cost alternatives.
- Government agreed to take forward the findings of the Feasibility Study and announced that DWP will make a further investment in credit unions of up to £38 million up to April 2016.

Credit Union Expansion Project (CUEP)

- The Association of British Credit Unions Limited (ABCUL) was awarded the contract to deliver CUEP through their subsidiary Cornerstone Mutual Services (CMS).
- CUEP commenced in May 2013 and following a contract variation in November 2014 has been extended by 12 months to April 2016.
- ABCUL has contracted with 76 (about 20% of CUs in GB) credit unions to deliver CUEP's objectives on growth, sustainability and the provision of improved financial services.
- ABCUL has a time and materials contract contracted with Fiserv, an American company highly regarded for its financial services technology and innovation and with a record of providing services to CU members in USA and to Tesco bank in UK.
- introduced an Automated Lending and Decision System (ALDS) to 71 participating credit unions. Early information is ALD is delivering efficiency savings.
- introduced localised marketing strategies for around 45 CUs that focuses on community based membership growth

DWP - supporting the credit union sector

- Working with Credit Union Trade Bodies
 - CUEP Updates
 - Exchanging information
- Working across Government to gain support for the sector
 - Interest rate increase
 - Call for Evidence
 - Eligible Loans Deduction Scheme
- Securing payment of Universal Credit into ALL credit union accounts
- Working across other Government Departments to promote payroll deductions for credit unions for civil servants

DWP - supporting the credit union sector

- Providing support for external investment in credit unions:
 - Banks:
 - ❖ Lloyds – support for outreach work and Grants Panel;
 - ❖ Barclays – participation in round table event to design funding programme;
 - ❖ Citibank – participation in Employer Credit Union Partnering Steering Group)
 - Chartered Institute of Payroll Professionals (CIPP) – investigating best practice in delivering payroll savings for credit unions through employers, incl Govt).
 - Ministry of Defence (support for provision of credit union services to armed forces personnel and armed forces pensioners)
 - Church of England (Lifesavers Project – in schools, Credit Champions Network)
 - Roman Catholic Church – initial meeting being arranged.
- Working with Devolved Administrations (Scotland, Wales & Northern Ireland)
 - Financial Inclusion initiatives

DWP - supporting the credit union sector

- Working with Credit Union Trade Bodies
 - CUEP Updates
 - Exchanging information
- Working across Government to gain support for the sector
 - Interest rate increase
 - Call for Evidence
 - Eligible Loans Deduction Scheme
- Securing payment of Universal Credit into ALL credit union accounts
- Working across other Government Departments to promote payroll deductions for credit unions for civil servants

DWP - supporting the credit union sector

- Working with Community Development Finance Institutions (CDFIs)
 - Met the trade body (CDFA).
 - Looking across the piece at how/where Government is encouraging CDFI/CU partnership working (eg Bristol Boost)
- Understanding work being undertaken on other joint working initiatives to support the sector :
 - Cabinet Office Affordable Lending Group (ASDA/Experian initiative)
 - My Community Bank portal
 - Fair for You
 - DotComUnity

Raising Awareness of Credit Unions across Government

- Using DWP' own internal intranet to promote Credit Unions.
- DWP employer Engagement news letters to promote CU.
- promoting across the Jobcentre Plus network – Partnership Offer.
- Senior Officials visiting Credit Unions.
- Credit Unions invited into major DWP hubs.
- Volunteering across the civil service.



Any Questions?