

Barclays hosts compliance masterclass for Support Programme credit unions

Barclays hosted a two day Compliance Master Class for around 18 credit unions that had participated in the first two years of the Barclays Credit Union Support Programme. A number of ACE credit unions attended the event in Canary Wharf which was delivered by Barclays staff including Geraldine Lawlor in her role as Global Head of Financial Crime, Simon Thorn, Chief Compliance Officer Barclays UK and Dirk Young, Head of Conduct & Accountability. Delegates heard from Compliance experts on various topics including the forthcoming EU Data Protection Regulation that will bring more record keeping obligations and processing security requirements that will impact upon credit unions for which regulation breaches could bring about heavy financial penalties. There was also an excellent session on Financial Crime Risk Assessment delivered by Kathryn Burgess-Gould who has subsequently agreed to come to the ACE Conference in Birmingham to share her knowledge on Financial Crime with ACE credit unions. Kathryn is Vice-President Anti-Money Laundering Risk Assessment in the Barclays Financial Crime Team. There were further sessions delivered on knowing about your customer's lifecycle activities and the importance of ongoing screening to identify suspicious financial activities. On the second day Barclays staff delivered sessions on Treating Customers Fairly, Product Design, Whistleblowing and Marketing and Financial Promotions. Although Barclays and credit unions are miles apart in service delivery there are still plenty of areas where we can learn from our financial service counterparts.



Barclays launches year 3 of its Credit Union Support Programme

Barclays has just launched the third year of its four year Credit Union Support Programme in partnership with ACE, UKCU and Toynbee Hall. To date twenty British credit unions have benefited from the programme and a further ten credit unions will be selected this year. The programme is open to all credit unions in the UK, regardless of trade association affiliation. Through this programme, Barclays hopes to encourage collaboration, identification and sharing of best practice and the development and enhancement

of key skills and operational practices to promote growth and improvements across the sector. This in turn will allow credit unions to better meet the financial needs of their members and support more financially excluded and underserved households to manage their money and access and use appropriate financial services. It is being delivered through a number of expert delivery partners: Toynbee Hall, ACE Credit Union Services and UKCreditUnions Ltd, with the involvement of staff and senior executives from within Barclays. The programme is being independently evaluated by the Financial Inclusion Centre.

The programme will fund a team of specialists who will work with participating credit unions to explore their key support needs and priorities and then develop and deliver tailored training and support that will help make a sustainable impact in the sector, improving the skills and capabilities of selected credit unions and their members across the UK, with the training programme being adjusted to fit the needs of each credit union.

The Year 3 Application form for the Barclays Programme can be downloaded from the ACE website on www.acecus.org

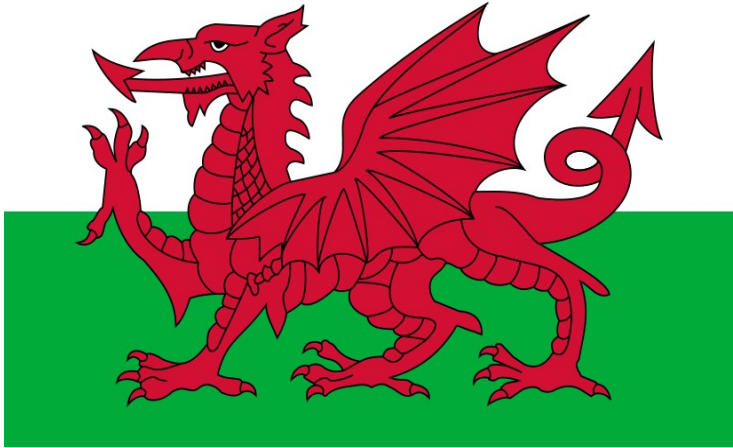
Please send your completed application to:
BarclaysCreditUnionProgramme@Barclays.com

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Welsh Government announces new fund for Welsh credit unions



In recognition of the fact that credit unions play a key role in helping to deliver a number of the commitments contained in Welsh Governments Financial Inclusion Strategy and the related Delivery Plan published in December 2016, the Cabinet Secretary for Communities and Children has committed to providing support of up to £422,334 revenue funding for credit unions during 2017-18 to help deliver against some of these commitments.

In addition to directly supporting the Financial Inclusion Delivery Plan, the funding under this programme can also be used to help credit unions to work towards some of the aims contained in the Credit Union Strategy, constructed collaboratively by Welsh credit unions – specifically securing long-term, independent sustainability for the sector in Wales; supporting the growth of membership across Wales; and promoting effective co-operation and joint working between Welsh credit unions.

In a written statement by Carl Sargeant, Cabinet Secretary for Communities and Children he said that:

“It was encouraging to see a Credit Union Strategy published in March 2016, developed by credit unions themselves, which demonstrated a collective sense of purpose. It is imperative that credit unions continue to work to support each other by sharing best practice.”

Commenting on the continued support for credit unions by the Welsh Government he went on to say:

“Credit unions must step up and demonstrate how next year’s funding will contribute to achieving full sustainability, whilst delivering against our Financial Inclusion commitments.

Welsh Government remains fully supportive of credit unions, but public funding of them must have more impact and lead to a sustainable model which delivers positive change across our communities”.

Since the beginning of the 21st Century the Welsh Government has invested in the region of £15 million to support the growth and development of the Welsh credit union sector.

The grant fund application deadline concluded on the 24th March 2017

All Party Parliamentary Group for Credit Unions

The latest All Party Parliamentary Support Group event for credit unions was held in Westminster on the 22nd February 2017. Delegates at the event were informed about the launch a new research report from the Fairbanking Foundation, supported by the Barrow Cadbury Trust, entitled “Save as you Borrow”. The report analyses Ipsos Mori survey data of 7 credit unions who have been awarded a Five Star Fairbanking Mark for their personal loan products and focuses on a common practice among credit unions whereby borrowers are expected to save a small amount while repaying a loan. The report shows that this practice transforms reported savings rates from 71% of people never or only occasionally saving, to 71% who will save regularly throughout the year. The findings are particularly powerful in the context of low income credit union members from demographics with stubbornly low savings rates. 97% of those questioned said that saving whilst repaying a credit union loan was very helpful to them. The Fair Banking Foundation CEO Anthony Elliot said:

“The Save as You Borrow model of lending used by credit unions is very helpful to their members as a way of developing savings habits. For members that have never been able to save the well-being benefits are tangible”.

ACE Web-site members' area - documents and forum

Any volunteer or employee of an ACE credit union is eligible for a login account. If you do not already have one, please use the contact form at www.acecus.org/contact selecting “website login account” from the drop-down list and entering “login account request” or similar in the subject box. In the message body, please specify your credit union and your role within it. If you believe that any of your credit union colleagues would benefit from having a login account, please direct this to their attention.

When logged in you will access to a range of templates, factsheets and reference documents.

You will also be able to access the members' forum to to share information, resources and best practice with other ACE members; to ask or answer questions (especially on operational matters); to seek or offer help in other ways; or for general discussion. (For more details, see earlier newsletters.)

Please check on a regular basis to see what’s going on with your colleagues.

ACE 2017 Conference & AGM takes shape

The ACE Conference & AGM, which will be held this year at the Copthorne Hotel Birmingham, B3 3HJ in central Birmingham, which is just a short walk from Birmingham New Street train station.



This year's Conference fees are exactly the same as they were last year in Newcastle in 2016 and in Warrington in 2015, which will hopefully encourage all ACE members to send at least one delegate to Birmingham. The Conference Programme is a work in

progress but we have already had confirmation of speakers from the PRA, the FCA. In addition to these we have also confirmed the following speakers:

- Dr. Lindsey Appleyard – Research Fellow, Centre for Business in Society - Coventry University
- Professor Karen Rowlingson - Professor of Social Policy Department of Social Policy and Social Work University of Birmingham
- Kathryn Burgess-Gould – Vice-President Anti-Money Laundering Risk Assessment- Barclays – Financial Crime Team
- Gareth Evans – Director - Financial Inclusion Centre
- Professor Mark Drakeford, AM, Welsh Government Cabinet Secretary for Finance and Local Government
- Mark Davey – Chair – The Fair Banking Foundation
- Nigel Bailey – CEO Citysave Credit Union

As usual Conference will start on the Friday afternoon at 1pm, followed by an evening meal, followed by entertainment and a full day of speakers and workshops on the Saturday. The deadline for booking an overnight stay at this year's Conference is Friday 31st March 2017, so book early to avoid disappointment.

FCA Responds to Trade Bodies' Concerns about the Senior Managers & Certification Regimes

Following round table discussions on the Senior Managers and Certification Regime (SMR) and how it affects credit unions, in Belfast on 1 November 2016, the FCA agreed to consider the comments made by the trade bodies. As a result of the concerns raised the FCA has now produced a Credit Union SMR Factsheet and an SMR Q&A paper. These are currently being reviewed by the trade bodies for comment and will be finalised in the near future for publication. Highlights of the two papers include some helpful definitions of certain functions and a Responsibilities Map template that should make the SMR clearer for all British credit unions.

One of the areas of concern expressed by the trade bodies was the Certification Regime for which all of you would have identified individuals back in March 2016. Those individuals identified as undertaking a role that could pose “significant harm” to the credit union will normally be employees or volunteers that have responsibility for areas such as Risk Management, Compliance and overall responsibility for Lending. The Certification Regime does not apply to individuals who have been identified as Senior Managers, so the FCA are not expecting too many people to be identified under the Certification Regime. In the Factsheet produced by the FCA defines who would need to be identified under the Certification Regime in the following way:

Certification Regime

Credit unions will be required to assess and certify at least annually the fitness and propriety of employees deemed capable of causing significant harm to the credit union or any of its members. For most credit unions, this will mean any employee who does not hold an SMF and:

- is a member of the governing body
- is a member of the senior management
- is responsible and accountable to the management body for the activities of the independent risk management function, compliance function or internal audit function, and for mortgage advice
- heads a function responsible for legal affairs, finance including taxation and budgeting, human resources, remuneration policy, information technology or economic analysis, and
- requires a qualification (e.g. mortgage advisers).

There are other categories of employees who we require to be certified but none of these are likely to apply to staff of credit unions.

In the Q&A document the FCA says that:

“In general, we would not expect directors of the credit union to meet the definition of employees, as they are not subject to the supervision, direction or control of the credit union.”

Those individuals that you have identified as needing to be “Certified” need to be signed off as “fit and proper” by the **7th March 2017**.

Financial Services Compensation Scheme (FSCS) Cover Changed

The new £85k FSCS cover rate on members' deposits came into effect on the 30th January 2017, replacing the previous limit of £75k. You now have until the 30th June 2017 to update all of your FSCS leaflets, posters, other paperwork and website information reflecting the new FSCS cover limit. <http://www.bankofengland.co.uk/prd/Pages/publications/cp/2016/cp4116.aspx>

The FSCS has said that it will be sending out new sample leaflets and posters to all credit unions early in March 2017.

ACE Credit Unions Joining Together in Somerset

From 1st October 2017 Bridgwater & District Credit Union (now also known as SOMERSET COMMUNITY CREDIT UNION) will merge with Taunton Deane & West Somerset Credit Union (trading name Moorvale) adopting SOMERSET COMMUNITY CREDIT UNION as the new name. All policies and procedures will be harmonised and a new Management Committee elected in time for the merger date. There will continue to be two offices at Bridgwater and Taunton.

BAG Credit Union Celebrates 25 years of Business

BAG Credit Union formerly known as Bargoed, Aberbargoed and Gilfach Credit Union will be celebrating 25 years of business this year. BAG Credit Union is a very traditional "old model" credit union that covers a small number of Valleys communities in the Rhymney Valley in the county borough of Caerphilly in Wales. Treasurer and founding member Pam Farrant said: "We intend to hold various events throughout June which was the first month of collecting back in 1992."

Pam is one of two active Board members who were there at the beginning with Chairman Richard Jones also being a founder member.

ACE CEO Bill Hudson said: "I have worked with BAG Credit Union and watched them grow over the past two decades and I was delighted when they became ACE members in 2015. Run almost entirely by volunteers BAG Credit Union has grown organically and has a market penetration rate of around 12.5% of the common bond area that it covers."

BAG Credit Union currently has 1,900 adult members, 410 junior members. Adult shares are close to £2m and loans to members stand at around £1.3m.

Dorothy Brown becomes MBE for services to Swindon communities

Former ACE Board member Dorothy Brown has been awarded an MBE for services to the communities of Pinehurst and Parks in Swindon. Dorothy, who currently lives on the Isle of Wight, was nominated for the prestigious award by friends and councillors for her tireless community work in two of the most deprived wards in Swindon. A committed member of the Pinehurst Initiative Forum for 20 years, Dorothy has taken on many roles throughout the years, including community development worker, project manager and a member of Parks Advice Point. Councillor Fay Howard (Lab), who nominated Dorothy for the award, said: "Dorothy's impact in both the wards of Pinehurst and Parks has been huge. Everyone knows her. She is behind almost everything going on and will be the person people turn to for advice and information. She is a community minded individual and she will not accept that living in a 'deprived ward' should mean residents and children in particular should get less.

Dorothy was an active ACE Board member for many years before announcing her retirement at the 2016 AGM. ACE CEO Bill Hudson said: "Dorothy played a full and



active role in the development of ACE Credit Union Services and her departure from the Board was greeted with sadness by her fellow Board members. The current Board are delighted that her community work has been acknowledged and that she has been awarded with her MBE following on from Barbara Hann's CBE in 2015".

North Tyneside Employee Credit Union's First Savers Scheme A Big Hit



North Tyneside Employee Credit Union's First Savers Scheme has now been running since January 2015, in Western Community and Hadrian Park Primary Schools.

The scheme at both schools was launched by Norma Redfearn, the Elected Mayor of North Tyneside, she said;

"Studies have shown that children's attitudes to money are developed long before they reach secondary school and they need to get into the savings habit at an early age to help them understand the value of money. This then encourages them to keep saving for their future and hopefully allow them to become 'money wise'. "Ensuring all our children have the academic and life skills they need to flourish and thrive in life are a major priority for this council and projects such as this with the credit union play an important role in tackling inequality in our communities."

Wallsend Jubilee Primary School joined the scheme in May 2016 and have almost 80 regular savers. Two further schools are launching their First Savers in

September, Holy Cross Primary and Greenfields Community Primary Schools.

We believe that most young people in North Tyneside have lost the habit of "saving their pennies for a rainy day". Our scheme aims to encourage children to save a little money each week.



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