



# ACE Credit Union Services MEMBERS' NEWSLETTER December 2019

## CHANGE OF DATE FOR THE 2020 ACE CONFERENCE & AGM – 15<sup>th</sup>- 16<sup>th</sup> May 2020



**FREE CAR PARKING**

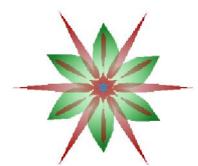


To mark the 75<sup>th</sup> anniversary of VE Day, the early May bank holiday in 2020 has been moved from Monday 4<sup>th</sup> May to Friday 8<sup>th</sup> May, which was the date that we had originally set for the 2020 ACE Credit Union Conference & AGM. As this may have caused delegates transportation difficulties, we have changed the date for the Conference to the 15<sup>th</sup> and 16<sup>th</sup> May 2020 at the Future Inn, Cabot Circus, Bond Street, Bristol, BS1 3EN. Conference booking forms will be sent out early in the New Year.

**Merry Christmas & Happy New Year**

from everyone at

**ACE Credit Union Services**



# TRADE BODIES' MEETING WITH CREDIT UNION REGULATORS - HELD ON 25<sup>TH</sup> OCTOBER 2019

## PRA LAUNCHES CREDIT UNION CAPITAL REVIEW

The PRA used the meeting with the credit union trade associations to introduce its **Consultation Paper 28/19 Credit unions: Review of the capital regime**

The proposed regime will take a graduated approach to credit unions with over £10m in assets in a similar way to income tax. The basic rate for credit unions under £5m remains at 3%.

The PRA will introduce a monitoring zone for credit unions with 3%-5% capital stepping up supervisory activity where it has concerns. There are currently just 41 credit unions that have capital reserves of less than 5%.

The closing date for responses to CP 28/19 is Friday 24<sup>th</sup> January 2020, so please let me have any thoughts that you have on the review of the capital regime by the 17<sup>th</sup> January 2020.

<https://www.bankofengland.co.uk/prudential-regulation/publication/2019/credit-unions-review-of-the-capital-regime>

## FCA answers Trade Association queries

### FCA Directory

A query was raised about the FCA Directory. All SMF's that are registered with the FCA already would not be required to re-register their information in a directory submission. The aim of the Directory is to capture certified individuals that are not currently captured on the Financial Services Register. Should you have any further questions in the first instance, please review the Q&A <https://www.fca.org.uk/publication/documents/user-guide-submitting-multiple-entries-to-the-directory.pdf#page=16>,

### Sensitive Business Names

Clarification around the Sensitive Business Name (SBN) such as "Community Bank". With the aim of ensuring the process to request use of a sensitive business term is as clear as possible, we have issued improved guidance on our website. Our SBN team will continue to review guidance that has been issued.

### Financial Ombudsman Service

A question was raised by ACE regarding a deposit taking firm's ability to submit a complaint to the Financial Ombudsman Service (FOS). The general policy is that the FOS would consider complaints from 'eligible complainants' that are consumers of financial services. However, in the case of an authorised person (which includes a credit union) whose complaint relates in any way to an activity which the authorised person itself has permission to carry on, then that authorised person is not an eligible complainant, pursuant to DISP 2.7.9 R (1) (a) <https://www.handbook.fca.org.uk/handbook/Disp/2/?view=chapter>.

### Reminders:

#### Submission of audited accounts:

May we request trade representatives remind all member credit unions that, for credit unions in Great Britain, the rule in CREDS 8.2.6R <https://www.handbook.fca.org.uk/handbook/CREDS/8/2.html> requires credit unions to submit their audited financial accounts to the FCA within six months of the firm's financial year end.

### Registered Social landlords

We have published an update to the final guidance for Registered Social landlords (RSL). RSLs can now refer tenants, or potential tenants, to some credit activities without requiring authorisation from the FCA. RSLs can only refer without FCA authorisation (known as an exclusion) where:

- 1) the activity concerned is effecting an introduction of an individual who wishes to enter into a credit agreement
- 2) the introduction is to a credit union, community benefit society, registered charity (or subsidiary of a registered charity), community interest company limited by guarantee or subsidiary of an RSL, and
- 3) the introduction is provided fee-free, i.e. the RSL receives no fee (which includes pecuniary consideration or any other financial consideration)

## ACE Credit Unions offering Living Wage to staff members

During Living Wage Awareness Week, from Monday 11th to Sunday 17th November 2019, it was announced that the new UK Living Wage hourly rate is £9.30 per hour, an increase of 30p per hour.

The Real Living Wage is independently calculated each year and is based on real living costs of UK households. For people who work outside of London, the Real Living Wage is now £9.30, whereas the Government advise a minimum wage of £8.21 for people over the age of 25 and even less for younger persons. This means that a person who works full time and paid the £9.30 Real Living Wage will receive over £2,000 more than a person working the same amount of hours per week on the current Government minimum. That amount would be enough to cover the gas, water and electricity bills of most households for a whole year or cover food costs for over half the year.

ACE credit unions currently offering the Living Wage to staff are Unify Credit Union in Wigan, Citysave Credit Union in Birmingham and West Lothian Credit Union in Scotland.

Angela Fishwick, CEO at Unify Credit Union said:

“Unify is an advocate of the Real Living Wage, and hopes that credit unions of all sizes will consider paying their employees a fair and reasonable wage that they can live on. If you are an employer that already pays all staff the Real Living Wage or higher, consider registering as an accredited employer with the Living Wage Foundation and make your commitment to fair pay public.”



ACE Credit Union Services

To become a Living Wage employer or to become an accredited employer with the Living Wage Foundation go to:  
<https://www.livingwage.org.uk/become-a-living-wage-employer>





## Don't Fall for these 10 Financial Scams this Christmas

### How fraudsters will try to trick you out of your money

**1 "Authorised" bank fraud** - Fraudsters use an array of sophisticated methods to persuade unwary bank customers to "authorise" over £350m worth of online transfers last year. Text messages from banks are not secure — fraudsters can "spoof" numbers so their messages appear in the same stream as legitimate ones — and can also make telephone calls appear to come from the number on the back of your bank card. If in doubt, hang up and call back from a different line. The usual pattern is that they're calling from your bank's fraud department, or the police, and your money must be transferred to a "safe account". Alternatively, they may hack into legitimate emails from solicitors, financial advisers or builders requesting payment and amend the account and sort code. This type of fraud often occurs on a Friday afternoon, giving them longer to spirit away the proceeds before anyone notices.

**2 HMRC scams** - In the run-up to January's tax return deadline, scam emails and texts purporting to be from HM Revenue & Customs tend to surge. Nearly 1m people reported fraudulent contact to the UK tax authority last year — many receiving emails with the HMRC logo that said they were owed a tax rebate. Others received bogus calls from tax inspectors claiming huge bills were owed. HMRC says it will never contact taxpayers in this way. Other variants of this scam involve emails from TV Licensing or the DVLA saying licences have expired. Click on the link, and convincing-looking websites are set up to harvest payment details and other personal information. Don't click just delete

**3 Investment scams** - The number of reported investment scams rocketed by 152 per cent this year, with average losses of more than £12,000 per case. Fraudsters never offer anything dull like an index fund — they tempt us by peddling an array of exotic-sounding alternative investments such as art, wine, forestry, carbon credits or land — and will even impersonate private banks or investment firms to gain our trust. Beware of being promised guaranteed returns or being put under time pressure to commit. If it looks too good to be true, it definitely is.

**4 Insta-scams** - Young people are increasingly falling for "get rich quick" scams on social media. According to an Action Fraud report this year, hundreds of Instagram users have been suckered into giving money to investment schemes promising high returns — sometimes within hours. Losses total £9,000 on average — with the fraudsters extracting more money by sending snaps of huge "returns" piling up in fake investment accounts.

**5 Amazon Prime scam** = My dad had a phone call last week from an auto-recorded voice — something that should instantly get your hackles up — saying his £79 Amazon Prime membership was about to be renewed. He does not have Prime (I do and keep him well supplied with detective fiction and wild bird food). "Press one to cancel," said the voice. He pressed one and got through to a human who asked rather too urgently for his card details and other information. He smelled a rat and hung up. Amazon customer services confirmed this is a scam and said it would never call customers asking for financial details.

**6 Broadband scams** - Sadly even signing up to the Telephone Preference Service has not stopped my landline receiving calls from people in overseas call centres pretending to be from BT, Openreach or Microsoft. In all cases, I'm told that my broadband is about to be cut off, there's a virus on my computer or similar. Do not feel bad about hanging up. If such people get hold of your passwords and take control of them they will not feel bad about cleaning out your bank accounts.

**7 Apple ID scam** - Last year, I had a spate of text messages that appeared to come from Apple support saying that my Apple ID was about to be deleted unless I clicked on a link. Looking carefully at this link, it was from “i-apple” and had been created using a programme that shortens long web addresses. A quick check on the Apple website confirmed it was a phishing scam. Other variants include fake emails saying you have a huge bill that must be dealt with straightaway by clicking on a link. Remember that fraudsters will always be in a hurry to con you, as there’s less time for you to question what’s going on. If you’re being hassled, you’re probably being hustled.

**8 Competition scams** - I had a text message last week saying “Congratulations! You’ve won the £500 gift card from Argos! Click here to claim it”. I did not click. Not because I am snobby about Argos (far from it!) but because I had not entered a competition, therefore I knew I could not have won.

**9 Pensions review scam** - Pension freedoms have been a field day for fraudsters, with huge sums able to be extracted from the retirement nest eggs of the unwitting. The offer of a free pensions review is the most common entry point for scammers — after all, who isn’t confused about their pension options? — so be on your guard. The government’s ban on pensions cold calling means anyone offering such a service is a bona fide fraudster. However, the current legislation is unable to ban calls from overseas jurisdictions. Hang up.

**10 Romance scams** - As well as preying on our fears, fraudsters also prey upon our desires. Romance fraud is often a slow-burning sting, with gullible victims groomed by a succession of texts and emails after contact is first made on social media or a dating site. After trust is gained, victims are asked to lend money — small amounts at first, but many have lost life-changing sums. Some are so ashamed to have fallen for scams like these, they go unreported.

**CLAER BARRETT – FINANCIAL TIMES**

## **GB Credit Union Trade Associations agree to meet and Collaborate**

For the first time in several years the four credit union trade associations in Great Britain have agreed to meet on a quarterly basis to collaboratively exchange thoughts and ideas with each other on major credit union discussion areas.

The aim of the newly formed National Liaison Group is to formulate a consensus view on any particular topic, with the effect that the opinion can then be advocated as the collective wisdom of the trade bodies. The group collectively represents 91% of the credit union sector.

Membership of the group is currently ACE, ABCUL, Scottish League of Credit Unions, UKCU and the National Credit Union Forum. The group has already met in Edinburgh on the 10<sup>th</sup> October 2019 and in Manchester on the 3<sup>rd</sup> December 2019. To date the group has made a joint response to the Insolvency Service Policy Team in answer to the Call for evidence: regulation of insolvency practitioners review of current regulatory landscape. The group



is also planning to make a joint response to the Scottish Parliament's short inquiry into Protected Trust Deeds.

The next meeting is scheduled to take place in Glasgow on the 27<sup>th</sup> March 2020.

## Founder Member of BAG Credit Union retires as Treasurer

After 27 years of voluntary commitment to key positions in BAG Credit Union, founder member Pam Farrant has retired as the BAG Credit Union Treasurer.

BAG Credit Union was registered in April 1992 and has grown steadily over the ensuing years within its small Common Bond area that covers people who live or work, in the area of the Upper Rhymney Valley, which includes Bargoed, Aberbargoed and Gilfach (BAG), with a population of around 28,000 people.

With a market penetration rate of around 12.5% BAG Credit Union has become a highly valued financial service in what is primarily a former Welsh Coalfields community.

Although Pam has stepped down as an executive director of BAG she will remain as a non-executive director and continue to pass on her knowledge and experience to remaining Board members and staff.

Bill Hudson, ACE CEO said:

“Pam has been involved with BAG for as long as I have been working with credit unions in Wales and she has been a key part of the BAG success story. I am glad that she will continue to offer her time and backing to the credit union that she helped to start 27 years ago.”

**BAG**  
**CREDIT UNION LTD**



**NORTH TYNESIDE  
EMPLOYEE CREDIT UNION**

# North Tyneside Employees Credit Union Celebrates 30<sup>th</sup> Birthday

The recession of the late 1980's led to particular problems with illegal loan sharks in local communities in North Tyneside. The Council had developed a detailed Council Anti-Poverty Strategy and Credit Unions were a specific feature of that.

This led to the Council promoting the establishment of Credit Unions in North Tyneside. Credit Union Development Workers were employed by the Council and they helped support their development.

Alongside the community-based Credit Unions, the Council initiated the setting up of the Employees Credit Union, for the benefit of local authority workers, with an initial grant of £100! Savings were by salary deduction, we do not accept cash.

The Employees Credit Union was formally established in 1989, with volunteers representing every Department of the Council. This ultimately narrowed down to a group of active Board Members who carried out the Credit Union's work. We had 127 members. Some 10 years after being established we had grown to 717 members and we appointed our first part time member of staff (Carl), who enabled us to continue to grow and develop our services.

We invested significantly in ICT and other office equipment over the next 10 years, as well as increasing our staff and improving their conditions of services (modelled on local authority terms & conditions). By 2009 we had 1456 members. In 2013, when our first worker retired, we undertook a review of our service and re-structured our workforce; at that time, we employed 3 staff (John, Dot & Alan). At this time, we also decided to initiate a 'First Savers' scheme in local schools. Take up was disappointing, with only 3 schools enrolling.

## 'TO SAVE AS YOU BORROW, HELPS YOU PLAN FOR TOMORROW' 1989 – 2019

We then had to amend our 'Common Bond', to accommodate the schools; so took the opportunity to extend it further to include more organisations. This included those companies who were now providing council services that had been contracted out - Kier, Capita & Cofely; and members of the Local Strategic Partnership – Police, Fire Service, Probation, Health Service, TyneMet College and Age Concern.

More recently, the planned, phased retirement, of our Members & Policy Officer, has resulted in a mini re-structure and the recruitment of a new staff member (Alison).

Over the past 10 years, the local authority workforce has shrunk considerably because of cuts in funding. However, we have managed to maintain our membership and increase our numbers slightly. We have grown to the point where we now have 1550 adult members, 135 junior members and a loan book of over £1million as well as a share value of nearly £2.2million.

### Carl Allen, our first employee, on his retirement day



## NEW POCA PROJECT

Change  
Account



Change Account has now completed the full integration with the Post Office banking platform. The platform will go live first week in January 2020. This development will provide Change Account customers with a branch network of 11,500 branches across the UK where customers can manage their account. Please find attached the list of banks in the banking framework programme.

In addition to access for Change Account customers, Change are also partners on the POCA, (Post Office Current Account), referral programme. You will be aware that the POCA account is being withdrawn over the next 12 months and over 470,000 customers will need to obtain alternative accounts.

Change Account would like to include credit unions in the referral programme, this will involve the Post Office and DWP referring POCA customers to the local credit union to apply for the Change Account.

This process will drive new customers to credit union partners, which will help to grow membership and the potential to generate further loan business. The referral process will be by way of a leaflet handout at the Post Office branch with the contact details of the local credit union who is a Change Account partner.

Change Account have agreed with the Post Office to launch with 20 credit unions in the first phase. If you would like to participate in the project, we would need to on-board your credit union on to the Change Account current account banking programme.

Please confirm if this is of interest and provide the post code areas your credit union's bond covers, and the preferred channel for receiving referrals.

**Contact:**

**Bill Hall - Business Development Manager**

Tel: 07563385950 – Email:  
[bill.hall@thechangeaccount.com](mailto:bill.hall@thechangeaccount.com)



# Free Wills and Will Reviews for all ACE Credit Union Members

ACE has negotiated an agreement with McClure Solicitors, to offer all ACE affiliated credit unions the option of offering their members a free will or a free will review. McClure are a national solicitors firm with offices in London, Birmingham, Southport, Liverpool, Leeds, Newcastle, Plymouth, Exeter, Cardiff, Aberdeen, Edinburgh and Glasgow. McClure generally offer this service to registered charities but are keen to work with credit unions as well. Interviews will generally be offered at a local office or at a members' home. If you would like to offer this service to your members' they should contact McClure on:

Freephone: 0800 852 1999

Email: [contactus@mcclure-solicitors.co.uk](mailto:contactus@mcclure-solicitors.co.uk)



