



ACE Credit Union Services

ACE CREDIT UNION SERVICE MEMBERS' NEWSLETTER – JANUARY 2022



**BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY**

ACE attended the Trade Bodies update meeting held on the 6th December 2021 with the PRA and the FCA to discuss areas of interest and concern.

The PRA highlighted the need for all credit unions to be maintaining a Risk Register and to have a working Risk Management policy.

The trade bodies said that they provided members with Risk Management training and that members took this seriously. The PRA expressed concern about the increase in digitalisation and the risk associated with 3rd party vendor management.

Responding to this Regulatory concern ACE will be delivering a Risk Management webinar on Wednesday 2nd March 2022.

Credit Union Data

The PRA told the group that at the end of November 2021 there were 408 credit unions in the UK with 1.9 million members.

In 2021 there had been 3 credit unions that were declared insolvent by the FSCS. There were 12 successful Transfers of Engagements, and the group was told that there were 5 credit unions going through the process of a solvent closure.



**FINANCIAL
CONDUCT
AUTHORITY**

No Interest Loan Scheme (NILS)

The FCA led a discussion on the No Interest Loan Service (NILS) and the role of credit unions in lending to higher risk borrowers. The £3.8m HM Treasury backed NILS pilot is an opportunity to improve credit provision for customers who do not currently have access to a fair credit option, where there is a societal benefit to lending to them responsibly. Credit unions and CDFI's have been asked to submit their applications to join the pilot scheme by the 14th February 2022.

There seemed to be little interest from members of the trade bodies in taking part in the NILS pilot scheme.

RegData reporting reminder Email

Some credit unions have recently received an email from the RegData, data collection platform, telling them that a list of regulatory reports were due for submission. These reports were unfamiliar to the recipients as they were to ACE. Having contacted the Regulators we were told that this was a technical error on the part of the Regulators. We were advised that any impacted firms should ignore any requests that are out of the ordinary and continue to follow their usual reporting processes.

The FCA also updated the group on the recent increase in Cyber-crime. There had been 7 Cyber Crime cases reported by credit unions to the FCA, with Phishing attacks being the most common form of cyber incidents. Phishing is a cybercrime in which a target or targets are contacted by email, telephone or text message by someone posing as a legitimate institution to lure individuals into providing sensitive data such as personally identifiable information, banking and credit card details, and passwords.

The information is then used to access important accounts and can result in identity theft and financial loss.



ACE Credit Union Services

ACE Conference & AGM 2022 27th-28th May 2022 Jury's Inn – Hinckley Island



This year's ACE Conference & AGM would be in the 4* Jury's Inn in Hinckley, Leicestershire. This event will be the first ACE Conference held since the one in Liverpool in 2019 due to the Covid-19 pandemic.

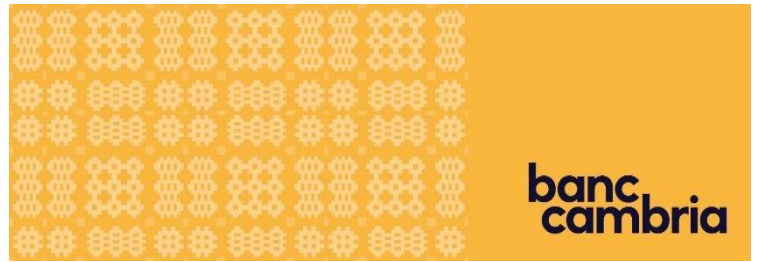
We are offering a full attendance rate of £185 with daily attendance rates of £25 on the Friday afternoon and £40 for the Saturday.

If you plan to attend by car there is free parking available, with the venue being easily accessible from the M1 and the M6. Using public transport Hinckley station is a 30minute train ride from Birmingham New Street and a 20minute ride from Leicester station. From Hinckley station the hotel is a £6 taxi journey, which can be ordered in advance if you know what time you will be arriving.

The Conference will start at 1pm on the 27th May 2022 and end at 3.30pm on the 28th May 2022.

If you have not already done so you will need to confirm your attendance by Wednesday 23rd February 2022 by sending your details to bill.hudson@acecus.org

Welsh Economy Minister sets out plans for Banc Cambria



The Welsh Government is working with Monmouthshire Building Society to accelerate the establishment and roll-out of a community bank - Banc Cambria - across Wales, Economy Minister, Vaughan Gething, has announced.

The Welsh Government's Programme for Government includes a commitment to support the creation of a Community Bank for Wales, in order to seek to address the market failure in relation to the gap in provision, the effectiveness and the quality of banking services in Wales.

Vaughan Gething, said that Monmouthshire Building Society, working with the Welsh Government and Cambria Cydfuddiannol Ltd (CCL), has announced its intent to develop its approach of delivering a community bank in Wales which will aim to provide everyday full retail banking services in communities across Wales by 2023.

"Our vision for the Community Bank for Wales is one that is based on the mutual model, owned by, and run for, the benefit of its members, rather than the maximisation of profit for shareholders. It will be a modern, full service, community bank, headquartered in Wales, providing access to bilingual products and services, through a range of channels including digital, online and in-branch."

Banc Cambria Chair, Alex Bird said:

"Banc Cambria will work to strengthen and expand Credit Unions and CDFIs, which could improve the situation for small depositors and borrowers at the bottom of the loan size range and help to fulfil some social requirements to bring financial services to poorer people at a manageable cost."



ACE Training Webinars

Complaints Handling – 27th January 2022

How credit unions handle member complaints and how we can work to avoid small issues becoming complaints.

The session was led by Mandy Bygrave from the Coventry and Warwickshire Community Development Agency.

27 delegates attended this interactive session. If you were unable to attend but you would like to receive a recording of this webinar please email bill.hudson@acecus.org

Operational Risk Management – 2nd March 2022

What operational risks are most important for credit unions and what are their levels of resilience?

How well do credit unions understand and manage these risks?

How are credit unions tackling the challenges of digitalisation?

To sign up for this session contact:

bill.hudson@acecus.org



ACE Office Move

The Board of ACE has decided to end its office rental contract with Care & Repair Cymru where we have been based for the past 7 years. The Covid-19 pandemic has meant that the rental of the office space has become less important as “working from home” has become increasingly common. The ACE registered office address for Companies House and HMRC will now become:

28 Prescott Street, Halifax, West Yorkshire HX1 2LG

These are the offices of the ACE auditors Lindley Adams.

ACE Director Links

All ACE members have a direct link to an ACE Board member in addition to the **ACE CEO**.

Angela Fishwick - unifycu@aol.com

Knowsley Mutual CU, St.Bernadette’s CU, Whitehaven Egremont CU

Sue Gurney - suestacey350@btinternet.com

Mendip CU, Somerset Community CU

Dorothy Brown - browndorothy4@gmail.com

Community Savings Guernsey, Community Savings Guernsey

Alan Robson - alanrobson635@aol.com

Flamesavers CU, Birmingham Inner Circle CU

Nancy MacGillivray - naneen100@gmail.com

Grampian CU, Blackburn Seafields CU, Grampian CU

Chinyere Alade

cadeniyi.alade@grampiancreditunion.co.uk

N.Tyneside Employees CU, W.Loathian CU

Janine Maranghi - janine@saveeasycreditunion.co.uk

BAG CU, Brecon CU, Clivey CU

Tom Boynton - tom.boynton@knowsleymutualcu.co.uk

N.E Warrington CU, SaveEasy CU, Unify CU

Stop Loan Sharks, Illegal Money Lending Team

Who we are?

The Illegal Money Lending Team (IMLT) are a national team, working across England. A similar team exists for Wales and Scotland. Our purpose is to support victims, investigate and prosecute loan sharks, and raise awareness. Since 2004, we have supported over 30,000 people and written off over £87 million worth of illegal debt.

The team is made of 2 parts:

- LIAISE – Our dedicated LIAISE officers provide physical, practical, and emotional support to victims of a loan shark. From the very first contact, to the time a loan shark is prosecuted and beyond. We work with a wide host of organisations to provide staff training, enabling them to confidently identify a loan shark victim, identify loan shark activity and make a referral to the team.
- Enforcement – Our enforcement team has a wealth of experience and knowledge, including investigators and police. They work to gather intelligence and build a case, before arresting and prosecuting a loan shark.

Why Credit unions?

Most of our victims do not believe they are borrowing from a loan shark. At the time they take the money, the loan shark appears as a friendly Knight in shining armour, who has come to save the day. In time the mask slips and the true identity and nature of the loan shark becomes apparent; by then the damage is done.

We believe in the ethos and values of Credit Unions. We understand and support the need to encourage good savings habits, budget money and access safe, sensible credit. We feel that if a person joins a Credit Union, budgets, and saves what they can, the chances of them falling prey to a loan shark are significantly reduced.

Work so far

We have been working with Credit unions since 2013. Allocating them a local LIAISE officer to help run incentives, provide training, and support their members. We also have one dedicated Credit Union LIAISE officer who is working to build relationships with all Credit unions, ensuring that regardless of location, all members

of society have access not only to loan sharks or regulated financial institutions, but primarily ethical alternatives in the form of credit unions.

Here are some of the ways we have supported credit unions:

- CU Animation (Available to use as an awareness/promotion tool)
- Payroll deduction materials (To assist credit unions when promoting this service to employers)
- Social Media Tool kit (A step by step guide for those looking to improve their social media presence)
- CU Awareness sessions (Delivered to various agencies across England, explaining how a Credit Union could support their work and add value to a community)
- £25 initiatives (Incentives to encourage new members or engage existing members)
- Paid advertising via Facebook (Helps Credit Unions to deliver their message to a targeted audience)
- Child benefit loan website (automated site which can promote CB loans)
- Numerous local projects between credit unions and partner agencies

What next?

Currently we work with a significant number of Credit unions, but not all, we want to change that. We are currently holding virtual meetings with Credit unions across England to understand the challenges you are facing, the obstacles your members are encountering and the opportunities for us to help you, reach more people.

If you don't currently have a working relationship with IMLT or if you do but its been a while since you had any contact, please get in touch with Trish on the details below.

LIAISE Officer (Credit Unions)

Email: trish.cassidy@birmingham.gov.uk

Telephone: 07517538721

For more information about IMLT please visit

<https://www.stoploansharks.co.uk/>

STOP LOAN SHARKS
Intervention . Support . Education

Making a Real Difference



On Thursday 23rd December Super Typhoon Rai - with winds of about 195km/h (120mph) - sent some 400,000 people running for safety when it hit the country's south-eastern islands.

Rai caused severe and widespread damage throughout the Southern Philippines, killing at least 409. The typhoon was estimated to have caused at least \$794 million worth of damage across the Philippines.

For one member of Clivey Credit Union in Swindon, this was tragic news as they had family still living in Cebu, the capital of the Philippines. Sadly, the member got news that not only was the family home destroyed but also that one member of the family had lost their life. Clivey Credit Union received an urgent email from the member on Christmas Eve asking if they could be considered for an emergency loan to help family members in Cebu.

Like all credit unions Clivey always does the best it can to help members overcome their difficulties so later on the same day the loans committee met through a Zoom call to discuss and grant the loan request. As you can imagine the member was extremely grateful for the effort taken by his credit union to help him and his family in his time of need.



Clivey Credit Union director Dorothy Brown said: "At such a terrible time isn't it good to know that we are able to help"



FCA Reporting Period Fees

The FCA has contacted all of the trade bodies to clarify the situation about emails recently sent to Credit Unions about FCA Reporting Period fees for the annual Directory Person Attestation. The text below is taken from the FCA website and sets out the need to attest annually:

Annual Directory Persons' Attestation

If your firm has submitted Directory Persons' data to the FCA, this means your firm is subject to SUP 16.26.18-20 reporting requirements. These reporting requirements mean that all relevant firms must attest to the FCA that their Directory Persons' data is up to date and accurate, if no changes have been made to their Directory Persons' data in the last 12 months. It is a firm's responsibility to submit a Directory Persons' attestation form. To be compliant with our rules, you must update and/or confirm your Directory Persons' data is accurate within 12 months of when you last updated it and/or confirmed its accuracy. If you fail to do this, you will receive a late return notification and a £250 late return fee. We may also take enforcement action against you. The firm's data will also be marked as being out of date on the Financial Services Register.

<https://www.fca.org.uk/firms/directory-persons>

Directory Person Attestation is an annual reporting requirement. If firms fail to update the information in line with the rules. Here is the original Policy Statement confirming the application of Directory Person to Credit Unions:

<https://www.fca.org.uk/publications/policy-statements/ps19-7-finalising-directory>

The FCA are about to write out to the impacted firms to let them know that their late fee will be waived as long as the attestation is submitted by 25 February 2022. If they have already submitted their attestation the late fee will be waived.

For future reference, if a Credit Union wishes to appeal the fee they can contact the Supervision Hub in the first instance

through firm.queries@fca.org.uk <<mailto:firm.queries@fca.org.uk>>. The Late Returns team will then look

into these and respond to the firms to let them know if the fee will be waived.

Please ensure that you complete Annual Directory Persons' Attestation by the 25th February 2022 to avoid any late fees.

