

# Credit Union News



Report on  
expansion of  
credit unions  
published

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# Welcome



The front page shows Lord Freud, Minister for Welfare Reform at DWP.

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## EDITORIAL

# Maintaining the level of change

**IF BUSINESSES get complacent and forget the need to evolve and change then they run the risk of becoming irrelevant. The environment in which they operate will move on, as the demands of regulators and the needs of consumers change. Credit unions are no exception to this, but have on the whole enthusiastically embraced the need for change.**

Over the last ten years credit unions have got used to prudential regulation for the first time and valued the role that the Financial Services Authority plays. Many credit unions have developed more flexible lending policies which properly assess the ability to repay loans and don't just lend a multiple of shares saved. And of course with some investment in the sector we have many more credit unions which are accessible to members – operating from high street premises with paid staff.

ABCUL's blueprint for credit union development has made much progress in recent years; new legislation brings many more opportunities and an increasingly professionalised sector provides a wider range of services to its members; services such as the Credit Union Current Account and Credit Union Prepaid card have been developed by ABCUL working with its members.

But more change is essential if credit unions providing small loans to people on lower incomes are to be able to provide a real alternative to high cost credit for many more people. To develop a sustainable business model for offering £300 and £400 loans over a few months, they need to offer these as part of a wider portfolio of products to a wider range of members and, most importantly, they need to embrace collaboration.

I was delighted to welcome Brian Branch, President and CEO of the World Council of Credit Unions, to Britain recently. A key message which he brought, and shared with credit unions and policy makers, was the importance of collaboration, and how this affects the success of credit unions around the world. As he says in our interview on page 11, "Credit unions need to work as a network. Collaboration creates opportunities to access technology, to pool resources and information, leading to greater efficiencies".

I'm very pleased that the need for collaboration has been recognised in the recently published feasibility study report commissioned by the Department for Work and Pensions. Credit unions operating in the sort of scheme proposed by the feasibility study report would be required to make changes in the way they operate in order to reduce costs and attract a broader range of members. In turn, they would be supported to reach more people through investment in the joint systems

necessary for them to achieve economies of scale and offer a wider range of services to their members. These sorts of systems will enable exciting developments such as access to credit union services through post offices; a summary of the findings of some recent Consumer Focus research makes for interesting reading on page 14.

In recognition of what we have learnt from our international colleagues on collaboration and because this is the International Year of

**“ ... more change is essential if credit unions providing small loans to people on lower incomes are to be able to provide a real alternative to high cost credit for many more people. ”**

Co-operatives we also have a global flavour to this edition. Examples of how collaboration is used around the world are included on pages 8 and 9 and on page 12 you can read about some of the ways in which credit unions are marking the United Nations year. Also included are some impressive facts and figures about credit unions around the world and an account

of one of the most international credit unions: the United Nations Federal Credit Union. Collaboration is set in context in the wider economy with an article by financial journalist and broadcaster Jasmine Birtles.

Whether learning from good practice internationally, building national or local partnerships, or coming together as credit unions to share resources, co-operation and collaboration has never been so important.



Mark Lyonette,  
Chief Executive, ABCUL.

# TV advert promotes credit unions in Wales



**CREDIT UNIONS** in Wales recently collaborated with the Welsh Government on a TV advertising campaign to communicate the benefits of credit unions.

As a part of the All Wales Credit Union Programme's awareness raising campaign, the Social Investment Business (TSIB) commissioned ITV Wales to produce a 30 second advert publicising the affordability of credit union loans and the community friendly focus of credit unions.

Broadcast on weekdays between 9.30am and 12.30pm, the advert was aimed at a largely female audience who, it was judged, would either be at home looking after young families or out of work. They were therefore seen as both likely to be viewing adverts for high cost lenders and to be looking to borrow

small sums of money. ITV Wales predicted that over two million people would see the advert.

The advert aired over 50 times in a 31 day period between 11 February and 15 March 2012 and cost £15,000. The cost was shared by the Welsh Government and credit unions in Wales, which contributed an amount in proportion to the size of their membership. Both North and South Wales Credit Union Chapters were consulted on the pricing and supported the proposal.

A link to the [findyourcreditunion.co.uk](http://findyourcreditunion.co.uk) website was included in the advert as

well as a freephone contact number staffed by North Wales Credit Union and funded by the Welsh Government. There were 122 calls to the freephone line during the campaign and the website saw an increase in traffic of around 12% for Welsh credit unions in February compared with January. Credit unions in Wales subsequently reported that 90 new members joined as a direct result of the TV ad and more than 1,300 new members were recruited during the lifetime of the campaign.

**W** View the advert on YouTube:  
<http://youtu.be/3Uebn5YP3JA>

## Excellence award for credit union development

**IN FEBRUARY, COSLA (the Convention of Scottish Local Authorities) presented Glasgow City Council's credit union development programme with the gold award in the Strong and Sustainable Communities category at the 2012 COSLA Excellence Awards.**

The awards celebrate the most innovative projects led by local authorities across Scotland that demonstrate excellent service delivery to communities and COSLA recognised Glasgow City Council's exceptional achievement in growing the city's credit union membership significantly.

Over the last decade, Glasgow City Council has undertaken an ambitious programme to develop credit unions as a professional and credible solution for local people affected by financial exclusion, poverty and debt. Key objectives of this support included encouraging efficient and effective working methods and driving up the capacity and professionalism of credit unions towards self-sufficiency.

Alan Davidson of Glasgow City Council said: "We've worked on this project for ten years and with council support have created and maintained strong partnerships with credit unions, trade associations and other bodies.



From left to right: Jon Harris (Strategic Director, COSLA), Frank McKillop (ABCUL), Robert Kelly (Glasgow Strategy Group Chair), Alan Davidson and Eddie Percy (Glasgow City Council) and Awards host Jackie Bird.

Credit union membership in Glasgow has grown from 3% of the population to an outstanding 23%. We are extremely proud to gain recognition for this successful initiative."

Frank McKillop, ABCUL's Policy and Relations Manager in Scotland, said: "From over 200 nominees across six categories, we are delighted that Glasgow City Council's credit union development programme won the gold award.

"This is a tremendous achievement and represents well deserved recognition for one of the best examples of local authority support for the credit union movement anywhere in Britain.

We hope other local authorities will look to Glasgow's example to support credit unions in their area."

The 34 credit unions in Glasgow now have more than 135,000 members and combined assets of over £183 million.

More details about the winning project can be found on the COSLA Excellence Awards website:

**W** <http://awards.cosla.gov.uk/2012/02-strong-sustainable-communities-glasgow-city-council-credit-union-development-programme/>

# Report on expansion of credit unions

**RECOMMENDATIONS ON how credit unions can sustainably provide affordable financial services for up to a million more people within five years have been set out in the report from the Project Steering Committee of the DWP Credit Union Expansion Project.**

The Committee, chaired by Deanna Oppenheimer from Barclays Bank, was asked by the Minister for Welfare Reform, Lord Freud, to conduct a feasibility study to examine the scope and options for the modernisation and expansion of credit unions, including the readiness of credit unions to expand.

Research commissioned for the report showed that 1.4 million people in Britain have no transactional bank account at present, four million incur bank charges and up to seven million use high cost credit. Even though more than 60% of the 4,500 people surveyed said they would use credit union services, only 13% had heard of them.

The study identified lower paid workers and benefits claimants as the principle market for credit unions, with these groups already borrowing £25 billion and saving £30 billion. But the report also acknowledges that it is important for credit unions to maintain a balanced mix of members, who will save and borrow larger amounts, if they are to be able to sustainably serve more lower income consumers.

## DWP Recommendations

- The model that has been developed could proceed with some chance of success for a total cost estimate of £51 million (£13 million of which is already being spent) between 2012 and 2015
- The project should only proceed on the basis of tight project management to maximise the chance of success
- Money should not be invested in expensive systems until there is evidence of necessary change and commitment from credit unions
- Credit unions should be required to make a financial contribution to the actual cost of systems infrastructure change to demonstrate their commitment
- Government should look, with the sector, at the case for increasing the interest rate cap for credit unions to 3%
- The credit union sector should press ahead with plans to develop its own financial wholesale operation so that it can speak to Big Society Capital and other funding organisations as one 'organisation' large enough for investors to be interested in.

## The need for change

With DWP support, credit unions have expanded from 50,000 loans to low income consumers in 2005-06 to 150,000 loans worth £70 million in 2010-11, but the report argues that costs in the sector remain high and fundamental business and cultural change is required to achieve modernisation and further growth.

The report recommends that the sector should press ahead with plans for a financial wholesale operation so that, following a publicly funded programme, the sector will be able to access other funding opportunities (such as through Big Society Capital) as "one" organisation and to address imbalances in the availability of lending capital across the sector.

Credit unions will also need to demonstrate a capability and willingness to change by proving that they can undertake necessary steps such as re-engineering their operating model and reducing costs, re-organising their business to make better use of resources, are ready and signed up to promote a new professional image that will attract more middle income consumers and will be ready and signed up to operate in partnership with the Post Office network.

## Achievable business growth

A financial model was developed for the report using cautious estimates of achievable business growth and estimates for loan losses based on an adverse business environment. This showed that by 2021 it would be possible for selected credit unions to increase membership from 354,600 to 1.7 million, increase loan numbers from 138,500 to 650,300 and increase deposits from £114 million to £453 million.

The report proposes that, to achieve sustainability within five to seven years, consideration should be given to increasing the statutory interest rate cap on credit unions to 3% per calendar month, as the existing 2% limit does not allow even the most cost effective credit union to break even on smaller loans.

Although the study recognises that the process of change may be difficult, it explains that, with the proposed interest rate cap increase, it could be possible for up to 60 selected credit unions to meet the objectives set out by DWP and achieve financial sustainability. Over a ten year period these credit unions could, for example, save consumers £0.9 billion in interest repayments



Mike O'Connor  
Chief Executive of Consumer Focus

**“Government recognition that there is a significant need for more credit unions is very welcome. Access to affordable credit is a major issue for many consumers, especially where they need small sums to make an emergency purchase or to tide them over for a short period. ”**

and provide a full range of suitable financial services to a million more people on low incomes, including Universal Credit claimants. Other, less-developed credit unions will then also have the opportunity to move towards the new systems and infrastructure.

The report adds that, while Government support would go much of the way to closing the funding gap, credit unions would also be expected to find ways of increasing funding themselves through earned income.

Deanna Oppenheimer, Project Steering Committee Chair, said: "I am proud to have been invited by the Secretary of State to serve as Chair of the DWP Credit Union Feasibility Study project steering committee.

"The committee was asked to examine how credit unions could serve a million more people and become financially independent.

"So I am especially pleased that we were able to advise how they can collaborate as an industry to become more efficient, offer people the services they need, and become financially sustainable.

"I believe that, by following the recommendations in the report, they can grow and make a real difference to the lives of many more people in the communities they serve on a long term basis."

**W** <http://www.dwp.gov.uk/other-specialists/the-growth-fund/latest-news/>



Lord Freud Minister  
for Welfare Reform  
at DWP

**“ Currently around seven million people fall into the trap of high cost credit, with some being charged more than 6000% in interest on short term loans. For too long predatory lenders have been plaguing the homes of vulnerable people, who often have no other way to get cash when they need it most.**

*I welcome this study – it offers expert advice on helping credit unions grow and modernise to meet the needs of vulnerable people in the 21st Century. ”*

#### What would an interest rate rise mean for credit unions?

Raising costs to members is not something that credit unions enjoy doing. But in suggesting that the Government should consider a rise in the interest rate ceiling on credit union loans to 3% a month on the reducing balance, the DWP Expansion Fund report makes it clear that they don't envisage this applying to all loans. And the steering committee suggests it could be used alongside other changes because it believes it

#### How much can a fridge-freezer cost?

Cost price £210	CU Loan at 2% a month £225	CU Loan at 3% a month £233	Home credit provider £314	Weekly payment store £638

will lead to an overall increase in the availability of affordable credit. Where credit unions are offering larger loans, credit is currently offered at well below the current 2% a month cap. For

**“ Credit unions have been doing a good job and we want to work with them to do more to give people on low incomes a real alternative to high cost lenders and loan sharks. ”**

Steve Webb MP Minister for State at DWP



instance, Clockwise Credit Union charges the maximum rate – 26.8% for a £500 loan, but just 8.7% APR (0.7% a month on the reducing balance) for a £5,000 loan.

Experian research for the report shows that even when credit unions charge the maximum interest rate, they offer the most competitive interest rates on personal loans of up to about £2,000 in the UK market.

Whilst credit unions need to be competitive in the market, these costs also reflect the income from a smaller, short term loan which, as the report points out, even the most efficient credit unions struggle to break even on.

Financial modelling carried out by Experian for the report assumes that it would only be on loans below £1,000 that credit unions could possibly apply a higher interest rate. It is here that credit unions are not competing with personal loans from banks and building societies, but with home credit providers and weekly payment stores such as Brighthouse and Perfect Home.

A typical and essential purchase for a family may be a new fridge freezer. Comparing the costs of a loan to purchase an item such as this and it can be seen that even with a rise in the credit union interest rate cap, a consumer with a credit union loan who is able to shop around could save over £400 by taking a credit union loan instead of using a weekly payment store.

If you've got the cash spare, maybe because you've been saving with your credit union, you could buy it outright for a little under £220.

If you needed to borrow the money from your credit union, you could borrow the money over six months and pay back less than £15 in interest, or if you wanted to spread this over a year you would pay less than £30 in interest. If the interest rate cap rose you would pay around £23 interest for a six month loan and around £44 over a year.

If you chose the doorstep lender option, you would be paying over £100 in interest, if you repaid over 23 weeks or over £170 if you repaid over a year. Repaying a weekly payment store over three years would cost £120 in interest before any optional service cover or insurance which could bring the cost up to over £700.

The additional weekly cost to a borrower for a £300 loan over six months would be less than £2. So if, as the report suggests, a change in the interest rate cap will assist hundreds of thousands of people to save hundreds of pounds in interest payments to high cost lenders because of the increased availability of credit union loans, then this change, coupled with other recommendations

such as increasing collaboration and broadening membership, is something that the sector needs to seriously consider.

*Information obtained in May 2012 from www.argos.co.uk, www.lenderscompared.org.uk, www.brighthouse.co.uk for comparable products. Credit union loans over six months, home credit loan over six months, weekly payment store over three years.*

**“ This is an exciting point in the development and growth of credit unions in Britain, with growing demand, the opportunities created by new legislation and the prospect of major infrastructure investment from government.**

*To make best use of this, credit unions need to build unit scale and broaden the base of borrowers and savers.*

*And if they are to be able to compete sustainably on smaller, short-term loans, then clearly the interest rate cap does need to be looked at afresh. ”*



Damian Hinds MP  
Chair of the All Party  
Parliamentary Group  
on Credit Unions

# Credit unions and the collaborative economy

**AFTER ADDRESSING the ABCUL Conference in March 2012, journalist and broadcaster Jasmine Birtles tells credit unions how they are part of the collaborative economy.**

Did you know that you're part of a new economic trend? Well you are. As someone who works in a credit union, you are part of a new wave, a new way of thinking and living called 'The Collaborative Economy'.

It's a new/old economic movement that's happening right now... we're at the birth of it and you, individually and collectively, as credit unions are very much part of it. Not only is this an exciting movement to find out about, it is also a new wave that you can use to push forward your message to the wider community.

## What is the 'Collaborative Economy'?

Wikipedia describes it as "sharing, swapping, bartering, trading or renting access to products as opposed to ownership".

A new win-win way of life. Not only does it make life cheaper for all of us, but it also means that we use things more efficiently and, in the long-run, produce less and waste less.

For example, the average lawn mower is used for just four hours a year, the average power drill is used for only twenty minutes in its entire lifespan. How sensible is it, really, for us to own one each? Far better, surely, to share and rent these things among neighbours and friends.

The Collaborative Economy is happening because of economic necessity and because of advances in technology. We have to use our resources more efficiently because the number of people in the world is growing very fast and we have limited global resources. Also, the internet, mobile technology and advances in

like Lovehomeswap.com – and then you swap homes with people around the world, or around the country, for a holiday. It can be simultaneous or non-simultaneous depending on what works for you both.

It's a great way to have a cheap holiday because it means you can go away and you only have to pay for food and travel.

**Renting your room for B&B** - Then there's the growing trend for people renting out a spare room or their whole home to tourists on an ad hoc basis. Again, there are websites for this, primarily Airbnb.com and Wimdu.com.

These sites enable you to make money by renting out your spare room or whole home to people who want to stay for a few nights. It's particularly good if you live in a popular city like London or Edinburgh. Apparently Airbnb hosts in New York City make an average of \$21,000 annually, according to their CEO Brian Chesky.

There is also Couchsurfing.com which is for people (mostly students and young people) who want to travel around for free, sleeping on people's sofa or spare bed. It's a fun way to see the sites and meet people.

All of these services are not without their downsides. Much depends on trust and sticking by rules and it's likely that, as the businesses develop, they will impose more rules and strictures to make sure that everyone is protected where possible.

In fact, one of the aspects of the collaborative economy which has also been helped by technology is the presence of social media which enables users often to check out the background of people they are swapping and sharing with. More and more people are using referrals, likes, stars and points which are used a lot on sites like eBay, Amazon and, of course, Facebook and LinkedIn. None of these is foolproof, of course, but they help to create more trust in certain users.

A very new site, which could revolutionise the lives of hard-pressed



Jasmine Birtles chairing the Question Time session at the ABCUL Conference.

You could say it's about the Access Economy, because the new generation of consumers is more interested in having access to things rather than actually possessing them. Young people are much more used to sharing than their parents and grandparents. They're catching on to this new way of thinking about ownership and our usage of products and services.

They say that collaborative consumption is a new way to get the benefit out of things like mowers, drills and even cars, without having to carry the huge up-front costs of ownership.

software are enabling us to share, swap and rent to each other instantly across the world. It's an exciting time!

## How can you take part in collaborative ventures?

There are already lots of ways of collaborating with people you know and people you don't know, thanks to a few newish websites:

**House swapping** - I'm a big fan of house-swapping. The way it works is that you put your home on a website – ideally one that charges an annual fee

students, is Unihomeswap.com. Here a student in, say, London who's going to university in Leicester can swap their parental home with a student in Leicester going to uni in London. That way both students get a nice, safe home with someone else's parents and they get to pay MUCH less rent!

And don't forget your driveway and garage. Rent those out on Parkatmyhouse.com or Parklet.co.uk and you could be making easy money.

**Cars** -Speaking of cars, the greedy, money-guzzling creatures are getting a makeover thanks to a few new sites.

There are now car clubs in some cities like Zipcar. Again, a good idea particularly if you just want to use a car for a few hours a day. But now you can also

Zopa.com, Ratesetter.com and FundingCircle.com. They are 'social lenders' or 'peer-to-peer' lenders. They have been doing something like credit unions, although across the UK and on the internet only. They offer direct access between savers and lenders and give them the ability to choose (within limits) the interest they gain on their savings and the interest they pay on loans.

They're beginning to take hold although people are still afraid of the new concept of peer-to-peer lending. The concept of peer-to-peer lending as part of a bigger push to lend to small businesses was even mentioned in the latest Budget so it's being noticed by Parliament too.

But much of this is what you've been

**“ Now it's up to you, but if it were me I would be promoting the fact that credit unions have a close relationship with both savers and borrowers and that you were the originators of a collaborative style of managing money. ”**

make money from renting your own car out to local 'careful' drivers through Whipcar.com and Blablacar.com.

A car can cost almost £7,000 a year to run, and the majority of car owners don't drive their car every day. By renting the car out by the day or by the hour you can earn money during this idle time – it's even possible to totally offset the cost of owning a car by renting it to neighbours when it's not being used.

**Other stuff** - You can rent or swap big things like lawnmowers and power drills on sites like Rentnotbuy.com and Rentmyitems.com. In fact, Warren Heal who set up Rentmyitems.com says: "My lawnmower wasn't working one day and I thought it would be great if I could just rent my neighbour's for an hour. After doing so he then asked if he could rent my bike from me for a week for an upcoming holiday, and that's when RentMyItems.com began to come together."

There are more ideas for renting space, cars and gadgets here: <http://www.moneymagpie.com/article/make-and-save-money-from-renting>

**Savings and loans** - Yes, this is your area, but guess what? There are online sites that are doing something collaborative like you but in a different way.

You may already have heard of

doing all along – far more so than the banks certainly. You have enabled a much closer relationship between savers and borrowers and you have always offered a more personal, more reasonable approach than the traditional banks.

### How credit unions can use this new wave

Now, it's up to you, but if it were me I would be promoting the fact that credit unions have a close relationship with both savers and borrowers and that you were the originators of a collaborative style of managing money.

I suggest finding some way of illustrating to people – both your members and the public at large – how money from one person down the street is then lent out to someone else up the street and so on.

People are getting their heads around this concept now, particularly the young and the technologically savvy, so it's a good time to promote this aspect of credit unions which is, let's face it, fundamental to the way you work. What you do is a type of social lending; make that clearer.

In fact, you can see in this interesting video <http://vimeo.com/16025167> the new and innovative ideas that young people have about the future of money. As you will see, they have a more open approach than has traditionally been



associated with money – they talk of collaborating and tapping into potential, not just past performance!

You can ride on this new wave of thought about money, get more notice and get publicity by both aligning yourself to the collaborative movement and by doing more obviously collaborative events around your credit union.

Now is your time to shine. You have to grab the opportunity while it's here. You have been part of the collaborative economy all these years, so make sure everyone knows you're at the forefront of this new movement now while it is still growing.

**W** [www.moneymagpie.com](http://www.moneymagpie.com)

Jasmine takes a question from a delegate at ABCUL's Annual Conference.

# Credit union collaboration around the world

**COLLABORATION IS about working together to share systems or services and credit union movements around the world demonstrate the advantages it can bring.**



Credit unions collaborate for a number of different reasons, such as to benefit from each other's expertise and reduce costs, to focus more effectively on growth and to enhance front line services. Collaboration can range from sharing back office functions, such as payroll and purchasing, to pooling resources for strategic products like card services and banking. At a more integrated level it can mean credit unions using the same IT services or deposit and loan operations, and ultimately may lead to shared identity and branding. The degree of collaboration varies from country to country but a direct link can be shown between the level of collaboration in a country and the success of the credit union movement there.

Credit union consultant Dave Grace, who worked at the World Council of Credit Unions for 13 years and has spent time researching collaboration, says: "The key to making collaboration work is to focus on commonalities not differences and to communicate the successes that already exist. Large scale collaboration begins with small scale collaboration."

Credit unions in Britain have worked together on a small scale for many years. This is now beginning to pick up pace as the sector comes together to develop shared resources to meet

shared challenges. The Credit Union Current Account and the Credit Union Prepaid card are both examples of how credit unions, working together through their trade association, have been able to develop the tools their members need, which they could not have achieved alone. However, the British credit union movement has much to learn from other countries, many of which have taken different approaches to collaboration.

## Collaboration in action

Research by Dave Grace shows that several Canadian provinces have high membership penetration levels compared to the overall populations because they have common branding strategies and they share back-office resources. These "franchise" tactics give them stronger consumer awareness and help them to compete more effectively in a saturated market.

Quebec, which has the highest degree of shared strategies and resources, has an 84% penetration level among the working age population. Canadian credit unions in the province of Saskatchewan have 53% of working age residents as their members. Other countries with similar strategies of shared resources such as Brazil and Poland also have common national branding while still

maintaining local control of decisions. These large countries all have faster growth, a broader array of products and higher membership penetration levels than countries with more independent, decentralised systems.

Within their given jurisdictions, all credit unions in Poland and Quebec use the same logo. National marketing and media campaigns are carried out by the national association (provincial in the case of Quebec). The costs for these campaigns are covered by fees charged to the local credit unions, but credit unions also carry out marketing and media efforts that focus on regional and local markets using their own resources. Since not all products or pricing among credit unions is standardised, marketing efforts focus on service and brand promotion as opposed to price.

From effective collaboration comes economies of scale and an increased range of products that can be more easily marketed. This, coupled with the local knowledge, identity and democratic structures from the participating credit unions, means that consumers can gain from the best features of a larger organisation whilst retaining the individuality they value in their local financial co-operatives.

**W** [www.woccu.org](http://www.woccu.org)

## Case study: Poland

BY COLLABORATING to provide a comprehensive range of services under a unified brand, Poland's credit unions have become a force to be reckoned with.

The National Association of Co-operative Savings and Credit Unions (NACSCU) serves 59 credit unions of all sizes, from small institutions up to the huge £1.2 billion SKOK Stefczyka, Poland's largest credit union with more than 370 branches. With aggregate assets of £3 billion, Poland's credit unions serve 2.2 million members through 1,870 branches.

By law, credit unions in Poland are required to be affiliated to NACSCU, which serves as both the supervisor of credit unions and the national trade association. As supervisor, NACSCU establishes standards that all board



members and senior management must meet in order to serve in their positions.

NACSCU operates a number of subsidiaries that offer products and services, including insurance, technology and payment services. Although some products and services are designed and priced locally by credit unions, many are created centrally by NACSCU. For instance, Government subsidised mortgages, international transfers and payment cards are offered centrally through all credit unions, with identical pricing, and all members of NACSCU must use the common core banking application offered by a NACSCU subsidiary.

All credit unions operate under the acronym SKOK, which has become known as 'credit union', and carry the same visual brand. A nationwide identity supports the Polish system's unity and strength and national marketing efforts portray credit unions as a good place for consumer savings and loans.

National marketing and media campaigns are carried out by NACSCU's media and marketing subsidiary and the costs for campaigns are covered by fees charged to the local credit unions. Using their own resources, credit unions can also carry out marketing and media campaigns that focus on regional and local markets.

"All Polish credit unions operate as part of

one system and we have the economic value of being in one group," says Wiktor Kaminski, Vice President of NACSCU. "Instead of merging credit unions into a single enterprise, however, we have a variety of credit unions following a single successful model adjusted according to their needs."

Through the unified system, credit unions can capitalise on both economies of scale and



system-wide expertise, but the system allows them to maintain their individual identities as they concentrate on increasing service levels and building member loyalty. Collaboration among credit unions has resulted in dramatic growth that has been beneficial to Poland's credit union system.

## Case study: Brazil

THE CREDIT union sector in Brazil dates back to 1902 and is now a driving force in the country's economic development. By collaborating in networks, credit unions have benefited from economies of scale, a wider range of products, greater security and a higher profile.

According to the Brazilian Co-operative Association (OCB), in December 2011 there were over 1,000 credit unions in Brazil with almost 4.7 million members. The sector had assets of R\$86 billion (£27 billion) and employed 34,000 people. The total value of loans from credit unions amounts to approximately 2% of the total financial system of Brazil.

All credit unions in Brazil are regulated by the country's central bank. They can be independent or organised into networks. There are three networks in Brazil – Sicredi, Sicoob and Unicred – and these networks are in turn split into three types of organisation: Single Unions, Centrals and Confederations. The idea of structuring credit unions into networks stems from the need to increase efficiency, reduce costs and take advantage of economies of scale.

Single Unions are credit unions at the base of the network, offering financial services directly to members. These Single Unions can be organised into regional co-operatives or Centrals, which co-ordinate the actions of their

affiliated credit unions, supporting them in their development and expansion activities and sharing information and advice. Parallel to this, there can also be a Confederation, which centralises certain services for the whole network, such as accounting, IT and auditing.

In Brazil, collaboration among credit unions currently only occurs within each individual network, although there are some wider initiatives in place to share ATM networks and create a shared guarantee fund, for example.

The Sicredi network has gained international recognition not only for its model of organisation but for the use of a single brand across all its credit unions, which gives it a strong market presence.

Sicredi operates 115 credit unions with 1,100 branches in 905 towns and cities. It has four Central co-operatives, one Confederation and one Co operative Bank, which enables the network to offer core banking products and services, such as insurance, cheque accounts and credit cards, as well as providing back office operations.

Within Sicredi, all of the organisations are co-ordinated by a single executive president, who reports to a Board which represents Sicredi Participações, a holding company that decides on strategic and economic issues, as well as compliance, auditing and ethical guidelines.

The centralised costs of Sicredi are shared by member credit unions in proportion to their use of the services provided.

The Sicredi Co-operative Bank, which was established in 1995, is the intermediary agent between credit unions and financial markets. It manages funds on a large scale and develops corporate products and services, as well as communication, marketing and human resources policies.

"In the case of Sicredi, credit unions maintain independence to act according to their members' needs and specific market characteristics, but within the macro policy framework established by the network," explains Edson Nasser, Retail Banking Executive Director at Sicredi. "The macro policies are defined and approved by the credit unions themselves before being implemented across the network."



"Sicredi credit unions have a strong brand and can count on specialised companies and advantages of scale at every level, allowing for their sustainable growth and continuity."

The members of Sicredi saw the value of their loans increase from R\$1.08 billion (£0.34 billion) in 2002 to R\$15.2 billion (£4.77 billion) in 2012.

# Spotlight on

# World Council of Credit Unions

World Council of Credit Unions is the global trade body and development organisation for credit unions. It promotes the sustainable development of credit unions and other financial co-operatives around the world, helping to empower people by providing access to fair and affordable financial services. World Council represents 46 organisations (including ABCUL) in 56 countries and has its head office in Wisconsin, USA.

As well as representing credit unions at an international level, for

example at the United Nations and G20, World Council works with national governments to improve credit union legislation and regulation. Its technical assistance programmes strengthen the financial performance of credit unions and increase their outreach. Since it was set up in 1970, World Council has helped establish and support credit unions in 71 countries through 275 development programmes.

World Council is currently involved in supporting a number of projects around the world and the following examples highlight its work.

**W** [www.woccu.org](http://www.woccu.org)

## Financial inclusion

IN COLOMBIA, World Council is helping credit unions extend financial services to individuals that have been left behind by the mainstream financial sector, bringing micro-credit and micro-savings to thousands of unbanked individuals.

With World Council's assistance, Colombia's credit unions are developing strategies to bring low-income and rural segments of the population into mainstream finance. By designing and implementing financial products that cater to the diverse needs of communities, the World Council is creating a sustainable model for the expansion of Colombia's credit union network and, by helping credit unions expand into underserved, marginalised areas, World Council is ensuring that more people have the opportunity to invest in their future.

For instance, Rafael (pictured), had no regular work and little income when he approached his local credit union. With a micro-loan, he bought a set of tools and began working on cars. He was quickly able to pay back his initial loan and began investing in larger, more expensive equipment. Today, he owns his own garage and employs three mechanics.



In rural areas, World Council is adapting its *semilla cooperativa* (co-operative seed) model of micro-savings. *Semilla cooperativa* means taking the credit union to the member, with credit union field officers visiting communities to deliver services. Using innovative mobile technology, credit union representatives can process financial transactions on the spot, bringing services to regions that would not otherwise be served.

## Developing a regulatory framework

AT THE request of the Bank of Tanzania, World Council is developing a modern regulatory framework for the country's credit unions, known as savings and credit co-operative societies (SACCOS).



World Council's programme will help strengthen Tanzania's credit unions to bring safe financial services to communities.

World Council is training regulators from the Co-operative Development Department of the Tanzanian Ministry of Agriculture, Food Security and Co-operatives on risk-based supervision and regulatory systems and policies, as well as effective operational and financial standards.

Tanzania's SACCOS range from informal, community-based co-operatives to employer-based institutions that were set up as part of a Government-sponsored microfinance initiative in the 1960s. Despite being widespread in the country, regulation and supervision of SACCOS to date has been virtually non-existent.

Although SACCOS have lacked proper oversight, in recent years their number has exploded. In 2009, for example, there were over 5,500 – an increase of more than 50% in three years. As the sector continues to grow, it faces an increasing need for central oversight to ensure appropriate financial discipline to protect member savings, so World Council support is vital.

## Agricultural lending

IN SRI LANKA, the World Council has worked with a women-only financial co-operative to help increase agricultural production after 26 years of civil war, during which many Sri Lankans were forced to scale back their agricultural work to focus on feeding their families.

Women's Co-op, which has a network of more than 120 branches in the country, has worked with World Council to begin offering savings accounts to members and develop an agricultural lending programme that provides members with finance, trains them in new production techniques and connects them to viable markets.

Working together, World Council and Women's Co-op are strengthening the co-operative, expanding its membership and providing savings accounts and micro-loans to Sri Lanka's women farmers, to help increase their agricultural capacity and improve the lives of the country's rural poor.

One example of this support is a project to grow maize in a district of Sri Lanka about 200 miles from the capital, Columbo. Maize farmers from the Gaminipura branch of the co-operative were provided not only with finance for farming, but also with quality seeds and technical assistance together with marketing support at harvest time. With help from World Council the members were able to expand production and, thanks to the income generated, were able to repay their loan and make a good profit, allowing them to save for their children's education.



The secretary of the agriculture committee at Gaminipura branch (left) with co-operative members who are maize growers.

# Stateside views

**RECENTLY, TWO stalwarts of the international credit union movement were in the UK to visit the Co-operative Banking Group, the Building Societies Association and ABCUL and to take part in a meeting at HM Treasury with representatives from various Government departments. Credit Union News took the opportunity for a conversation on what can be learnt from credit unions overseas.**

The credit union movement has a distinguished history of internationalism and international collaboration which ultimately led to the formation of the World Council of Credit Unions in the 1970s.

Brian Branch became President & CEO of World Council in 2011 and has over 20 years' experience with credit unions internationally. He says British credit unions gain a lot from ABCUL's membership of World Council. "It's important to share experience from other countries. Partnership activities, such as those starting between the UK and Maine in the United States of America, are a practical, collaborative way to promote credit unions.

"Another example of this is how World Council has held talks with legislators in the UK to support ABCUL in what it is doing.

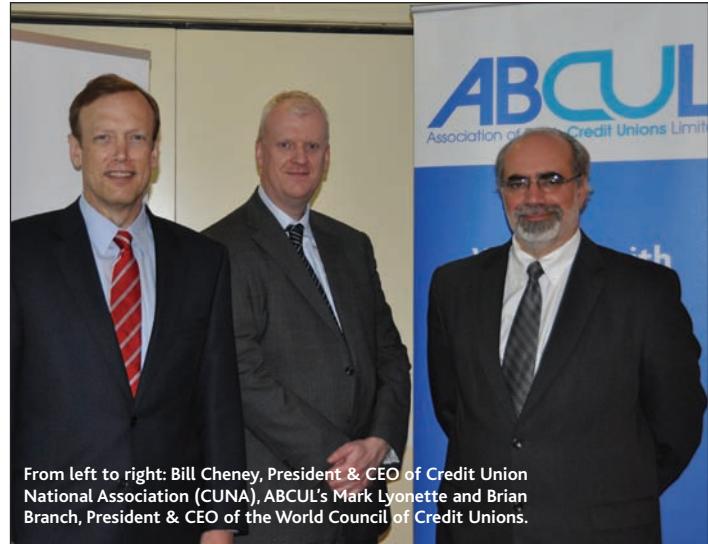
"The challenges to UK credit unions are shared by credit unions elsewhere in the world and World Council has also co-ordinated discussions with Brazilian and Polish credit unions, for instance."

According to Bill Cheney of CUNA – the American equivalent of ABCUL – partnerships really are important. "I have personal experience of how credit unions in California linked up with those in Mexico. Many people saw the partnership as American credit unions helping credit unions overseas, but really we learnt as much from them."

Staff exchanges are one of the ways World Council helps credit unions around the world. Says Brian: "These exchanges are very good and we give lots of thought to matching need with support. Currently, there are 24 partnerships and 16 field programmes with at least one or two volunteers from credit unions in each programme."

One of the common themes, identified by both Brian and Bill, for credit unions in Great Britain and the US is the issue of financial inclusion. Although, as Bill points out, "in the US we talk about 'serving the under-served' rather than financial inclusion".

He says that credit unions still have a lot to learn about how to do financial inclusion properly. "Although there are higher levels of trust in



From left to right: Bill Cheney, President & CEO of Credit Union National Association (CUNA), ABCUL's Mark Lyonette and Brian Branch, President & CEO of the World Council of Credit Unions.

credit unions, there is still a resistance to financial institutions and still lots of misunderstanding about credit unions in the US."

According to Brian Branch, credit unions are most successful when their model does not rely only on the 'financially excluded'. Credit unions achieve sustainability by serving the broader spectrum of income groups.

The World Credit Union Conference takes place this year in Gdansk in Poland, from 15 – 18 July, and has three main themes. According to Brian, the conference will focus on credit union messaging and branding, especially in light of the International Year of Co-operatives, issues surrounding compliance and the role of technology, which can help in attracting younger members.

Brian says that a number of countries around the world have been very successful in attracting younger members to their credit unions. "Brazil, Mexico and Poland have relatively young populations and this has helped recruitment. In the case of Canada, there was a strategic decision to make credit unions more attractive to younger people, and this has paid dividends," says Brian.

Bill adds: "Credit unions in Western Canada such as Van City Credit Union focused on the commonality between their principles and those of young people." He compares this to credit union marketing in the United States, which was successful in attracting new members, but not specifically younger members. "In some ways," he says, "younger people don't really see that any banks are good and so perhaps haven't joined credit unions either."

With the International Year of Co-operatives in 2012 and the World Credit Union Conference focussing on the image of co-operatives and credit unions there has never been a better outlook for collaboration between credit unions.

"Credit unions need to work as a network," says Brian. "Collaboration creates opportunities to access technology, to pool resources and information, leading to greater efficiencies."

**W** [www.woccu.org](http://www.woccu.org)

**W** [www.cuna.org](http://www.cuna.org)

## Brian Branch

Brian Branch has worked at World Council since 1990 and has been engaged in development fieldwork, research and implementation for over 30 years. His roles at World Council have also included Director of Technical Services, Vice President of Development Services, Executive Vice President and Chief Operating Officer. Dr Branch has developed programmes to update and expand the savings based financial services of credit unions worldwide. He co-authored *Striking the Balance in Microfinance: A Practical Guide to Mobilizing Savings* (2002) with Janette Klaehn and co-edited *Safe Money* (2000) with Glenn Westley.

## Bill Cheney

Bill Cheney leads the main credit union trade association in the USA. He has broad experience within the credit union movement, having begun his career in 1987 with Security Service Federal Credit Union in San Antonio, Texas. Ten years later, in 1997, after achieving the position of Executive Vice President, Cheney was named President and CEO of Xerox Federal Credit Union in California, where he guided the credit union's growth to more than \$800 million in assets (from \$350 million) and expanded the credit union's membership to include operations in nine states.

# Credit unions celebrate the International Year of Co-operatives

THE UNITED Nations designated 2012 as the International Year of Co-operatives in recognition of the important contribution that co-operatives around the world make in reducing poverty, creating jobs and promoting social integration. The theme of the Year is "Co-operative Enterprises Build a Better World".



There are over 1.4 million co-operatives worldwide, working in every sector from farming to football, healthcare to housing, as well as credit unions and other financial co-operatives. Between them, co-operatives across the globe have nearly one billion members and over three billion people secure their livelihood through co-operatives.

Credit unions have been doing their bit to support the International Year and here are some examples of how they are marking the event and collaborating with other co-operatives.

## World Council participates in launch

The World Council of Credit Unions participated in the two day launch of the International Year of Co-operatives at the United Nations headquarters in New York at the end of last year. World Council took part in a UN roundtable discussion, along with UN member states, observers, co-operatives and non-governmental organisations. Representatives from World Council also attended a plenary session in the General Assembly Hall, which was addressed by UN General Assembly President Nassir Abdulaziz Al-Nasser, Deputy Secretary-General Dr. Asha-Rose Migiro, President of the International Co-operative Alliance Dame Pauline Green and former Prime Minister Gordon Brown. In addition, World Council is serving on the United Nations Advisory Group for the International Year of Co-operatives, which provides guidance, support and assistance to the event's co-ordinating committee. [W www.2012.coop](http://www.2012.coop)

## The world's largest hug

Credit union members in Peru organised the world's largest hug to celebrate the International Year. Santa María Magdalena Credit Union in the city of Ayachucó organised the event during which over 10,000 people embraced simultaneously. The hug was chosen as a symbol of happiness, confidence and goodwill, which the organisers described as one of "humankind's noblest gestures". In addition to promoting the city of Ayachucó, the event helped to raise awareness of the effects of globalisation, poverty and social exclusion and to publicise co-operatives as an alternative business model.

The hug was recorded in the Guinness Book of World Records.



## Capturing the moment in Singapore

To celebrate the International Year, credit unions in Singapore have been participating in a photography competition organised by the Singapore National Co-operative Federation. Credit unions were invited to "capture a moment" that showcased how they offer members from all walks of life not only financial services, but also the chance for people to own their own financial institution and help them create opportunities such as starting small businesses, growing farms, building family homes and educating their children.



## Minnesota credit union support

The Minnesota Credit Union Network (MnCUN) and its members in the United States are joining other co-operatives to mark the occasion. MnCUN created a video featuring its President and Chief Executive explaining the unique characteristics and benefits of co-operatives. Additionally, two of MnCUN's members are highlighting their work with other co-operatives. Postal Credit Union is a member of the Co-operative Network, which brings together more than 600 co-operatives in Minnesota and Wisconsin. It also sponsors students' attendance at the annual Co-op Youth Leadership Conference in Minnesota. SPIRE Federal Credit Union is involved with a number of co-operative organisations, as well as offering a VISA card programme in partnership with local grocery co-ops. The card provides special benefits to members and the proceeds are shared with the participating co-operatives.

## 2012 International Summit of Co-operatives

Desjardins Group, the sixth largest financial co-operative in Canada, is co-hosting the 2012 International Summit of Co-operatives in Quebec City in October. Under the theme "The Amazing Power of Co-operatives", the summit aims to offer solutions that will promote the development and performance of co-operatives so that they are better prepared to meet the economic and financial challenges they face. Over 130 speakers from around the world will address the conference including Nobel Prize recipients, economists, financiers, government ministers and academics, as well as representatives from the co-operative, mutual and credit union sectors. Credit unions in Canada work more closely with other co-operatives than in many other countries and this is a good example of their collaboration. [W www.2012intsummit.coop](http://www.2012intsummit.coop)



## Co-operatives United

UK activities for the International Year of Co-operatives culminate in the last week of October when the UK co-operative sector plays host to the international co-operative movement in a major week long event in Manchester, which includes the International Co-operative Alliance World Expo and a co-operative trade fair with hundreds of exhibitors. The event is expected to attract 10,000 visitors from across the world and ABCUL will be there promoting its members' successes.

[W www.manchester2012.coop](http://www.manchester2012.coop)

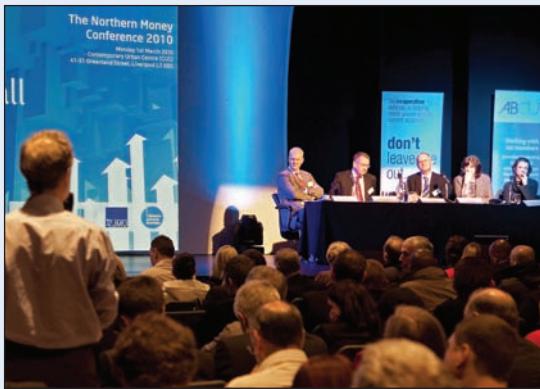
## Northern Money Conference 2012

THE NORTHERN Money Conference 2012 will take place on 5 July 2012 – the fifth time the conference has been held in Liverpool since 2006.

The event has grown to become the largest conference in Britain tackling the financial issues faced by low and moderate income households and last time attracted nearly 300 delegates. Organised jointly by ABCUL and the Research Unit for Financial Inclusion at Liverpool John Moores University, the conference is supported by The Co-operative Bank.

Keynote speakers will address contemporary issues in the field of financial services for people on low and moderate incomes and there will be five breakout sessions covering the promotion of saving, the modernisation of British credit unions, partnership working to help ease the transition to Universal Credit, access to financial services for vulnerable and hard-to-reach groups and the future of money and debt advice.

This year the conference will be on Thursday 5 July in Liverpool John Moores University's iconic Art and Design Academy, adjacent to Liverpool's Metropolitan Cathedral. For more information and to book, please contact ABCUL.



## Foundation fundraising news

EARLIER THIS year, delegates at ABCUL's Annual Conference in York raised over £700 for the Credit Union Foundation and, in a couple of months' time, Jamie Lewis from Warrington will be taking part in the Great North Run on the Foundation's behalf.



The Credit Union Foundation is a registered charity with a mission to create wealth and financial independence through credit unions. Its aims include advancing education about credit unions and relieving poverty in communities across the UK and around the world through the establishment of credit unions.

Donations at the conference amounted to over £700 and delegates raised the funds by purchasing polo shirts, tee shirts and entering a raffle.

Angela Hampson, President of the Foundation, said: "The funds raised for the Foundation at the conference far exceeded our expectations. We are extremely grateful to all the delegates who dug deep to support the fundraising activities. My thanks also go to all the volunteers who helped manage the stand. The funds will go towards the delivery of the DEUK Programme during 2012."

In September, Jamie Lewis from Warrington will take part in the Great North Run in Newcastle and Gateshead to raise funds for the Foundation. This will be Jamie's tenth Great North Run in a row, so he is very experienced at completing the course for charity. To sponsor Jamie and help raise funds, visit his Just Giving page: [www.justgiving.com/jamielewis](http://www.justgiving.com/jamielewis)

[www.creditunionfoundation.org.uk](http://www.creditunionfoundation.org.uk)

## Credit unions worldwide: facts and figures

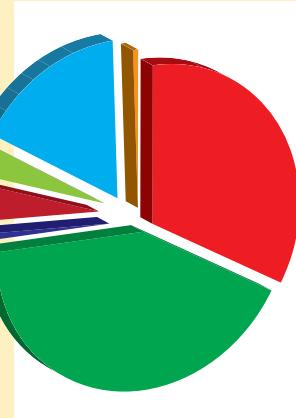
- 188 million members
- 53,000 credit unions
- 100 countries
- Worldwide, the number of credit unions grew by 31.5% between 2002 and 2010

- The rise in the number of members was almost 60%
- Credit union savings increased by 109% and the amount on loan by 126%
- North America has the most credit union members of any region, with over 100 million members – that's almost 45% of the population
- Asia is the region with the most credit unions – over 22,000
- St Vincent and the Grenadines in the Caribbean has the highest penetration of credit unions of any country in the world – over 76% of the economically active population are members.

### At a glance

Countries with credit unions:	100
Number of credit unions:	52,945
Members:	188 million
Savings:	\$1,229 billion
Loans:	\$960 billion
Assets:	\$1,460 billion

### Number of credit unions by region



### Number of members by region (thousands)



### Savings and loans by region

	Savings (US\$ million)	Loans (US\$ million)
Africa:	4,703	4,813
Asia:	107,693	80,677
Caribbean:	3,863	3,268
Europe:	22,188	13,018
Latin America:	29,163	30,597
North America:	1,015,716	784,532
Oceania:	46,063	43,185
<b>Total:</b>	<b>1,229,390</b>	<b>960,089</b>

# Consumer Focus calls for credit union access through post offices

A NEW report from Consumer Focus has called for credit union services to be made available through the Post Office network to expand access for those on low incomes.

Research published in May by Consumer Focus shows that a third of consumers – 34 per cent overall and 40 per cent of those on lower incomes – would be interested in joining a credit union. But two-thirds of these potential members say that they cannot join up because they do not think there is a credit union nearby.

This has led the watchdog to argue that credit union services should be expanded through the Post Office network, something which has been a long held ambition of ABCUL and the credit union sector.



**Credit where credit's due**  
The provision of credit union services through post offices  
Andy Burrows

*Credit where credit's due* asserts that if credit union services were available through the Post Office network, this would help plug a gap for low income consumers who may turn to high interest, short term loans if they can't access affordable credit through banks. Consumer Focus also suggests that this could mean many more people to benefit from cheaper goods and services only available online or by direct debit, as transactional accounts would be more easily available from trusted providers.

Consumer Focus argues that the Post Office offers significant benefits to increasing the role of credit unions by addressing many of the current barriers to their take-up. These include:

- **Trust** – consumers (especially those on low incomes) trust and value the Post Office network when they very often do not feel comfortable, or may be unwilling, to use High Street banks for transactional accounts, saving products or loans.
- **Geographical spread** – post offices offer convenient access for consumers, many of whom are currently restricted from using credit unions due to limited access. The 11,800 strong Post Office network offers more branches than banks and building societies combined.
- **Availability and convenience** – post offices offer credit unions the chance to reach many more people – they are used by low income groups but also offer the awareness and availability to appeal to higher income consumers too. This would help secure the long-term sustainability of credit unions by providing a wider and more diverse customer base.
- **Awareness** – nationwide availability through post offices would help address low consumer awareness of credit unions.

Andy Burrows, Head of Post Offices at Consumer Focus, said: "The Government has suggested that a million people on low incomes could benefit from greater access to banking and affordable credit.



Andy Burrows, Head of Post Offices at Consumer Focus



Credit unions would only be one part of this picture but our research shows Post Office access would really allow credit unions to deliver on their potential. Credit unions could never afford a branch network in their own right so tying up with post offices is a logical step.

"Marrying credit unions and post offices creates a situation where everybody wins. Credit unions would benefit from greater access and awareness, customers would get more convenience and alternatives to high street banking, and it would also give a shot in the arm for the Post Office network. The Post Office brand is trusted and could help boost confidence in, and take-up of, credit union services."

General Secretary of the Communication Workers Union, Billy Hayes, also offered support for the report, saying: "Bringing credit unions and the Post Office together makes great business sense and would build on the strong trust of each institution."

ABCUL welcomed the report, with Mark Lyonette commenting: "We know that credit unions are popular with people for whom they are accessible and providing the right services. This valuable research adds to the evidence that building the structures to enable credit unions to link in with the Post Office network would encourage many more people to make use of their services. This has the potential to save low income consumers hundreds of millions pounds in interest payments and help many more people into a savings habit."

**W** [www.consumerfocus.org.uk](http://www.consumerfocus.org.uk)

# UNFCU - serving the people who serve the world

**UNITED NATIONS Federal Credit Union (UNFCU) is an international co-operative serving the financial needs of United Nations staff, UN specialised agencies, United Nations system retirees and their families. It has more than 96,000 members in over 200 countries and territories.**



Although UNFCU is one of the largest federal credit unions in the United States, with \$3.6 billion in assets, almost two thirds of its members are located outside the US. It has more than 360 employees worldwide and operates in 32 languages.

In 1947, 13 UN staff members, with the assistance of its sole sponsor, the UN in New York, formed UNFCU to serve newly relocated staff from some 50 member states. Its mission is 'Serving the People Who Serve the World,' and the credit union offers a wide range of products and services tailored to the unique needs of the UN community. It is also strongly committed to social responsibility, supporting many projects and programmes around the world, as well as promoting environmental initiatives.

UNFCU headquarters are in New York, and it has three branches at UN locations in the city. It also has representative offices in Geneva, Vienna, Rome and Nairobi in Kenya. Located around the world, member-volunteer UNFCU liaison representatives, serve members at UN hubs and in the field.



The credit union operates across time zones using a range of e-banking solutions, online communications channels and a Call Centre that is open six days a week, including 24 hours a day from Monday to Friday. It regularly conducts overseas presentations, member service and individual meetings with UN officials in multiple languages, as well as workshops at international schools.

## Keeping members connected

Keeping members worldwide connected to their financial lives has always been an important part of UNFCU's mission. The credit union uses the latest technology to make its members' relationship with UNFCU more efficient, productive and secure.

Regular member communication is achieved through email, video broadcasts, webinars and regular website updates, as well as the publication of a comprehensive financial magazine, available online. In 2010, the credit union's Annual General Meeting was broadcast live for the first time by video stream, and in 2011 UNFCU introduced a Facebook page for social responsibility and Skype for member service.

Video broadcasts to United Nations, UN specialised agency and field staff operations around the world have transported UNFCU into conference facilities in places as far afield as Ecuador, Sudan and East Timor. These broadcasts allow UNFCU to talk to members, respond to questions and obtain feedback in real time, despite the fact they are thousands of miles away. In addition, UNFCU's Investment and Insurance Centres conduct regular webinars which bring information about issues such as retirement financial planning and long-term care insurance right to members' desktops.

Personal interaction is provided for by member service visits, initiated by representative office managers around the world, to UN hubs such as The Hague, Dar es Salaam and Bratislava. UNFCU also participates at annual meetings of UN Field Staff representatives and organisations such as the UNICEF Global Staff Association. In 2011, UNFCU participated in the UN Office of Human Resource Management's Pre-Retirement programmes in New York, Vienna and Geneva, which attracted over 400 participants.

UNFCU President / CEO Michael J. Connery Jr says: "With a staff that speaks over 30 languages, we are culturally diverse and accessible. Many members see us as a constant in their lives. Given our dynamic, mobile and increasingly widespread membership, we think globally 365 days a year, seven days a week, 24 hours a day."

## Committed to social responsibility

UNFCU, through its Board's mandate, is committed to corporate social responsibility – an ethos which stems

from the United Nations itself – and this includes making a positive environmental impact and contributing to improving people's lives. The UNFCU 'Green Team' represented by many departments globally, has become a Green Movement and regularly suggests new environmental solutions while engaging staff and members.



To celebrate Earth Day and the UN-declared International Year of Co-operatives recently, members of the UNFCU Green Team participated in the 2012 Green Festival in New York – the leading US sustainability event which is a showcase for eco-friendly practices and ideas – along with other New York co-operatives and more than 250 exhibitors.

In addition, partnerships with other organisations are enabling UNFCU to help people around the world through projects aligned to the UN Millennium Development Goals. The Kilimanjaro Initiative, for example, is raising awareness and funds for the Safer Cities Programme in East Africa. As well as several local community projects, UNFCU offers guidance and expertise to PLAY SOCCER Nonprofit International, a not for profit project dedicated to development through sport for children in six African countries, and its UNAIDS fundraising campaign has raised more than \$500,000 since it started 11 years ago.



Follow UNFCU CSR news and activities at [www.facebook.com/unfcu](http://www.facebook.com/unfcu).

[www.unfcu.org](http://www.unfcu.org)

# Services for credit unions from The Co-operative

## Financial Manager Launch

**THE CO-OPERATIVE** Bank recently launched a new online banking service specially designed to help organisations such as credit unions manage money on behalf of their customers.

Named *The Co-operative Financial Manager*, it is a customer money management package that makes the day-to-day running of your client's money simple.

These are some of the ways in which it can help you:

- It provides access to an unlimited number of virtual accounts which can be easily grouped together, such as by individual or company name.
- Facility to allocate account names and references electronically so that they can be easily matched to those on your credit union records for reconciliation – helping to save administration time.
- Make and receive payments or issue cheques against each virtual account.
- Potential to generate income by pooling funds held in accounts to take advantage of higher rates of credit interest available on larger balances; and an option to set varying interest rates on virtual accounts.
- Facility to generate custom reports.

The screenshot shows a web-based banking interface. At the top, there's a navigation bar with links for Enquiry, Account Holder Maintenance, Transactions / Allocations, Bulk Transactions, Security Maintenance, Reports, and My Profile. Below this, a sub-menu for 'Transactions / Allocations' is open, showing 'New Transaction 1 of 2'. The main area displays a table of transaction history with columns for Transaction ID, Transaction Type, Date, and Amount. A dropdown menu under 'Transaction Type' is set to 'Payment from Client'. At the bottom of the screen, there are buttons for 'Log in', 'Account Holder Maintenance', 'Transactions / Allocations', 'Bulk Transactions', 'Security Maintenance', and 'Reports'.

and ultimately improve the service you provide to your customers.

It is also fully encrypted and provides robust security and secure login facilities.

Despite all the economic uncertainty of the last few years, the launch of *The Co-operative Financial Manager* provides another illustration of how we continue our long-standing support for credit unions. From preferential banking to joint research into the causes and effects of financial inclusion or providing the back office systems for the ABCUL current account scheme, we remain a strong supporter of the credit union movement.

Anyone interested in finding out more about how *The Co-operative Financial Manager* can help their credit union should visit [www.co-operativebank.co.uk](http://www.co-operativebank.co.uk)

## The Co-operative's products and services for business

**THE CO-OPERATIVE** brand is well understood by consumers. The products and services it provides to businesses are also well understood in respective sectors. But few businesses realise the breadth of services on offer and the benefits of cross trading with **The Co-operative**.

The Co-operative offers a diverse range of products and services that few other suppliers can match.

From banking and insurance to legal services and electrical items, The Co-operative can provide the benefits of supplying from one organisation along with the reassurance and integrity of dealing with an organisation with social responsibility at the core.

## So what can The Co-operative offer for credit unions?

There's clearly the banking facilities on offer from the Bank. **The Co-operative Bank** provides a wide range of financial products and services, which includes a dedicated relationship manager for larger customers.

And there's already a relationship in place between credit unions and The Co-operative Electrical to help consumers finance purchases, which has worked successfully. **The Co-operative Electrical** offers value for money electrical products from renowned manufacturers.

**The Co-operative Clothing** is a leading designer, manufacturer and distributor of business clothing and uniforms.

**The Co-operative Insurance** can offer a wide range of products for liability, asset and revenue protection.

**Sunwin Services** offers a range of services for businesses including secure cash collection services, managed security, fire detection and security systems along with IT services with particular expertise in supporting consumer facing organisations.

Anyone interested in finding out more information about The Co-operative's family of businesses should contact 0800 587 2864 or visit [www.co-operative.coop](http://www.co-operative.coop)