

Frequently Asked Questions

What is a Credit Union?

We are a savings and loans co-operative. We aim to help our members save up money, but we also provide loans at affordable rates. After we meet our essential running costs our profits are given back to the membership through a dividend payment.

Are you like a bank?

As a co-operative all our members are shareholders and so the benefits from successful growth of a Credit Union are more widely distributed than in traditional financial institutions: whilst banks might invest in the arms trade; we invest in our local community.

Is my money safe?

We are regulated and authorised by the Financial Services Authority (FSA), just like any other bank. Our staff and Board of Directors are designated as 'authorised persons' by the FSA which means they undergo a range of checks to protect you and your shares in the business, which are also kept in a separate account.

What rate of interest do you charge?

We charge 1% per month (12.68% Annual Percentage Rate (APR)). There are no hidden fees and we do not penalise you for repaying a loan off early. Our speciality lies in offering the size of loans that the banks do not usually sell – those under £2,000. Please see our loans page for more information.

How much interest do you pay on savings?

You receive a share in the organisation's profits, rather than receive a fixed rate of interest. This is paid as a percentage of your savings and / or a rebate on loan interest paid.

What identification do I need?

Like any financial institution we need to have prove of who you are and where you live. Unlike high street banks we will be flexible with these needs as long as our legal obligations are being met. A passport and utility bill will get an account open as would a letter from a benefits agency or tax credit office. More information can be found by downloading a copy of our identification checklist.

How do I join?

Joining is simple. Fill in the enclosed application and send it into the office with a photocopy of some form of identification. Remember that we will need to have sight of original documents as soon as possible, so it may be best to pop into the office or visit us at one of our collection points.

Does it cost money to join?

There is a one off charge of £1 (unwaged) or £5 (waged) to cover our administration costs. You then need to make an initial share deposit. This could be as little as £1 or as much as £5,000.

Do I have to give notice to withdraw money?

The Credit Union account is a no notice savings account, but we need time to process any share withdrawal request. After you have filled in and signed a share withdrawal form, we need to check to ensure you have enough money in your account and then draw up a cheque. We aim to get this done in 3 working days, but you should allow 5 working days. You must bring identification with you to receive your money.

Can I withdraw cash from the Credit Union?

At the moment no. For security reasons we issue cheques only. These can be paid to you, a third party or for cash. Cheques payable for cash can be up to £500 in value and be cashed at a specified Post Office.

How do I pay into the Credit Union?

You can pay in cash, by cheque, via standing order or bank transfer. If you are working for certain local employers you can also save directly from your pay packet. You can download a standing order form from this website.

Can I set up the bank payments myself?

Yes. All you need are our account details from the standing order form and your reference number. The reference number is ESSENTIAL and is formed by your account number and name, followed by the share account you would like your money paid into. For example 1234: J: Smith: S1

What is my share account?

You can have up to 4 savings accounts. By default your payments are posted to your share 1 account, but you could open separate accounts to help you designate your savings. For example you could use share account 2 to save for Christmas or share account 3 to save for a holiday.

How much can I borrow?

We tend to loan a maximum of £1,500 although this sum may be greater if you are on one of our payroll deduction schemes or have borrowed from us before. We give most consideration to your ability to repay, which is why it is so important to complete the budget sheet accurately.

When can I borrow?

This depends on how much you can afford to repay and your individual circumstances. Priority is given to members with a record of saving. For monthly savers we need to normally see three savings payments and for weekly savers we need to have normally seen eight weekly savings payments.

Do you use credit scoring?

We do not believe that your employment status should determine whether you can borrow from us. Whilst we would lend larger sums to people in work, this is based on their ability to repay. We specialise in offering smaller loans to people who may only be able to go to doorstep lenders, who often charge more than 160% APR. For this reason we use our own scoring system which is based on your ability to repay.

Do you use credit reference agencies?

A past difficulty repaying a loan or credit card will not prevent you from borrowing from us. We may use a credit reference agency to verify your identification and exposure to other debts. We are currently considering using the agencies to report on repayments of our loans. So if you repay according to the agreement this will help your credit rating in the long term.

What if I can't repay my loan?

We realise that things happen that make it difficult to keep up with repayments. All of our staff are being trained in basic money advice to help us understand the problems you may be facing. The most important issue is to keep in touch – we can always look at rescheduling loans and coming to some sort of arrangements. As you are borrowing from your local community we are obliged to protect your investment. We do take people to court to ensure that this money is repaid and we do enforce county court judgements.