

We need to hear your views

Pass books

We are aware that some Credit Unions no longer use pass books for their members, preferring to send out statements to members on a quarterly and in some cases on an annual basis! As most of our members save by Standing Order, your Board is considering the benefits of continuing to use pass books, particularly as it has been suggested that we should replace them with carbonated numbered receipts and a smart folder to hold the receipts and statements. But we do not want to make such a significant change without first hearing the voice of our members, and in particular those of you who still use your pass book. Your opinions are essential if we are to make a decision based on the needs and wishes of our members. You can have your say by phoning the Credit Union phone line (01908-525086) or by emailing us at enquiries@mkcreditunion.org.uk

Money Management or Debt Advice

Ian Anderson, a debt counsellor and debt advice trainer from the New Life Church debt advice team has offered to run sessions for Credit Union members on "How to manage your money" and / or "How to get out of debt." Before finalising a date and time, we need to establish whether there is sufficient interest amongst Credit Union members; so we would be grateful if you could let us know on our Credit Union phone line (01908 525086) or by email at enquiries@mkcreditunion.org.uk if you would be interested in attending one or both of these seminars, and if so whether a weekday evening or Saturday during the day would suit you better. If you are interested, please let us know by Friday 26 February.

Our collection points

Five collection points now operating.

Area	Address	Opening Times
Netherfield	Tenants Resource Centre, Farthing Grove, Netherfield	Monday - 12.00 noon - 2.00pm
Bletchley	Bletchley & Fenny Town Council, Queensway	Thursday - 12:30pm - 2.30pm
Bletchley	Crosslinks, Serpentine Court, Lakes Estate	Friday - 10.30am - 12.30pm
Wolverton	Foundation House, The Square, Aylesbury Street	Friday - 10.00am - 12.00 noon
Stantonbury	Christ Church (next to Stantonbury Campus)	Saturday - 10.00am - 12.00 noon

About the Board

Membership of the Milton Keynes Credit Union's committees is as follows:

The Board:-
President/Chair - Philip Turnbull
Vice-Chair - George Conchie
Treasurer - Svetla Stallwood
Secretary - Graham Ghaleb
Board Members - Peter Hughes
 - Janice Miles

Credit Committee:-
 Peter Hughes
 Carolynne Icke
 Maggie Prisk

Supervisory Committee:-
 Tom Bolton
 Jakub Matl
 Brian Howden

MILTON KEYNES



COMMUNITY FOUNDATION

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Newsletter from your Credit Union

MILTON KEYNES CREDIT UNION NEWSLETTER 8

February 2010

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 Web: www.mkcreditunion.org.uk Email: enquiries@mkcreditunion.org.uk FSA reg no. 417717



Where Saving is Simple
 and Borrowing is a Breeze

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Need a loan? Interest rate from 1% per month

Would you like to get involved? Contact Deborah Langford on 01908 525086

Did you know your savings and loans were covered by FREE insurance provided by CUNA Mutual?*

* Terms & conditions apply

"Introduce a Friend" scheme with thanks to the Co-op.

The Credit Union Board is keen to bring the benefits of Credit Union membership to far more people in Milton Keynes. As a result we are launching a new "Introduce a Friend" scheme with members having the chance to win a bottle of Fairtrade wine, generously donated by the local Co-operative Group, if they can encourage friends, neighbours or family members to join the Credit Union. So if you introduce a new member to the Credit Union, contact the credit union office and your name will be entered in a prize draw so you could win a bottle of Fairtrade wine. As you may know, Fairtrade works through suppliers paying a premium to producers of goods in developing countries, and this in turn allows them to plan for the future and purchase the services they need. By introducing a friend, you could win a prize and help producers in the developing world to help themselves.

New Credit Union Service Point opens in Queensway

On 4 February the Credit Union's newest service point opened in Queensway, Bletchley thanks to the Bletchley and Fenny Stratford Town Council, who have willingly offered their support. The new service point, staffed by volunteers, will be open every Thursday from 12.30pm to 2.30pm using the Town Council's Queensway offices. This brings the number of service points in Milton Keynes to 5, and represents a significant expansion as the offices are based in one of the busiest shopping areas in Milton Keynes. Angela Kennedy, chair of the Town Council commented: "The Town Council are strong supporters of the Credit Union and are providing space in the foyer of our office on Queensway to be used to collect members' savings and sign up new members. Please drop in for an application form or just to find out how the Credit Union can help you save for important events and reduce your cost of borrowing."



Jane Forder, our first new member at the Queensway service point with Philip Turnbull

The Credit Union launch proved to be a great success with 3 or 4 people indicating they would join, and Jane Forder, Regeneration Officer for Bletchley, becoming the first new member to be signed up. Volunteers handed out leaflets promoting the Credit Union and a significant number of local people were keen to find out more.

Further information and downloadable forms at www.mkcreditunion.org.uk

Our Plans to build up the Credit Union

The Credit Union Board is not just concerned about ensuring the smooth running of the Credit Union on behalf of members. It is also working hard to expand the Credit Union and to share the benefits of Credit Union membership with a far greater number of people living or working in Milton Keynes. To help us with this task the Board produces a business plan, which sets out some of our strategic objectives, and allows us (and you) to assess how effective we have been in achieving our targets. Its purpose is to establish realistic and achievable targets for the Credit Union in the next 3 years and to demonstrate the levels of membership, share and loan activity and external support needed, so we can fund all our operations without the need for grant income by year 7. We reproduce a few of the key targets below for your information.

With membership at 272 in September 2009, our financial projection envisages a gradual build up to about 1,000 members by the end of our 7th year of operation (September 2012).

During the plan period we may increase the number of collection points and provide other means for members to pay in cash (eg Pay Point). We also intend to target employees of the largest companies in Milton Keynes including the Council, in the hope that we can convince them to introduce a scheme to allow direct deduction of savings from wages.

To date we have been dependent on grant income, to sustain the Credit Union. In the Business Plan grant income is assumed to be large enough to avoid an operating loss in our next three years of operation as required by the Financial Services Authority (FSA) regulations. The projections show that we would make sufficient profits during our 6th year of operation to permit a small dividend to be paid to members at the end of that year. By year 7 we should be fully self sufficient with no need for grant income or any other subsidies to our operations.

If you would like to see a more detailed version of the plan, please do not hesitate to contact the Credit Union enquiries line.

MILTON KEYNES CREDIT UNION ANNUAL GENERAL MEETING

To be held at 7pm on Wednesday 31st March at our Head Office, Foundation House, The Square, Aylesbury Street, Wolverton, MK12 5HX

The meeting will be opened by the Deputy Mayor of Milton Keynes, Cllr Debbie Brock.

Guest speaker: Ranjit Singh from the Co-operative group, who will speak about the world of co-operatives.

All members are welcome - Come along to meet the board of trustees, approve the report and accounts, hear about the last year of trading and meet other members too.

If you are interested in seeking nomination to the Board or one of our committees, contact the office for a nomination form.

Refreshments from 7pm with the main business from 7.15pm until 8.00pm.

Combating the menace of Loan Sharks

There has been much publicity recently over the operations of illegal moneylenders, who take advantage of people in financial difficulties and lend at incredible interest rates of 1000% or more. This means borrowers pay back 10 times the amount they have borrowed — often getting into further debt as a result of these excessive payments. The Government has taken steps under its “stop loan sharks” initiative to address this issue. Following on from successful pilot schemes in Birmingham and Glasgow, the Government has now provided a team for every region of England, Scotland and Wales, staffed by specialist Trading Standards officers. The Birmingham team is supposed to cover Milton Keynes, but this requires MK council to opt into the scheme — they are still considering this!

Since September 2004, the anti loan shark schemes in Birmingham and Glasgow have:

- shut down loan books worth more than £7million
- helped more than 6,000 victims
- seized and confiscated £260,000 in cash
- secured several prosecutions which have resulted in sentences totalling over 33 years for illegal money lending and related criminal activity.

So there is hope that the loan shark menace can be tackled; although it is still a serious concern to all of us involved in the Credit Union that there appears to be no legal cap on the rates of interest that can be charged. Those of you who watched Panorama will have seen the couple who borrowed £700, and ended up paying £80,000 over 12 years. We do not believe this level of exploitation should be tolerated.

Important information from the Financial Services Authority

From 1st January 2010 credit unions are required to notify their members that they are covered by the FSCS (the Financial Services Compensation Scheme). The Financial Services Authority (FSA) describes the scheme and its significance for Credit Union members as follows:

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a credit union is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to £50,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £50,000 each (making a total of £100,000). The £50,000 limit relates to the combined amount in all the eligible depositor's accounts with the credit union, including their share of any joint account, and not to each separate account.

For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website <http://www.fscs.org.uk/> or call **0800 678 1100**.

Why you should consider nominating a beneficiary for your savings!

You may remember that when you joined our Credit Union you were asked to give us the name of a person or persons who would be the beneficiary of any monies payable in the event of your death. If you did nominate a beneficiary and if the amount of your savings and insurance funds combined do not exceed £5,000 then your beneficiary can claim the total amount due. If, on your death, your savings and insurance exceed £5000 then only the sum of £5,000 will be payable directly to your beneficiary and the remainder will be payable into your general estate.

You can advise us at any time if you wish to revoke or change the person nominated but it is important to note that you cannot override the nomination by mentioning a different beneficiary in your Will. If you marry you should let us know, as this would affect your nomination. In order to make a claim your named beneficiary would need to produce an original death certificate and clear evidence of identity to show they are the person named by you in your nomination. We would also require them to complete an indemnity form.

You can see that a nomination form enables us to arrange for your beneficiary to receive any monies due (up to £5,000) within a fairly reasonable timescale following your death. On the other hand, if you have **not** nominated a beneficiary then the process could take a great deal longer as we would not necessarily be able to pay out monies immediately to the next of kin. We may need to wait until your executor had obtained a Grant of Probate (in the event that you had made a Will) or until Letters of Administration had been obtained (in the event that you had not made a Will). Either of these can take several months to obtain. We would still of course require sight of the original death certificate, proof of identity and the completion of an indemnity form (The indemnity form is to protect the Credit Union against a subsequent greater claim arising).

So if you have not already done so, you should consider completing a nomination form now!

