



# Credit Union Newsletter Autumn 2023

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## Welcome to Crownsavers Staff and Members

On 31<sup>st</sup> August 2023, at the end of a process lasting more than seven months, the Financial Conduct Authority approved the Transfer of Engagements of Crownsavers Credit Union Limited into Lewisham Plus Credit Union Limited.

Lewisham Plus members met at a packed Special General Meeting on 19<sup>th</sup> June. Lots of questions were asked, quite rightly, but at the end there was a clear vote to proceed.

Crownsavers members had to meet twice, to change the common bond to align with Lewisham Plus and to approve and then confirm the merger of the two credit unions.

The Lewisham Plus board carried out detailed due diligence to be sure that we understood what we were taking on. This included a thorough review of finances, IT, loan products and third party contracts. The two boards met together in March'23 for a strategy day to explore pros and cons and to consider plans for the combined organisation.

Crownsavers staff were consulted and terms agreed for a transfer of employment, under TUPE laws which protect employees. All joined Lewisham Plus on 1<sup>st</sup> September.

Bank accounts were transferred and IT systems merged. All member data was successfully transferred into the Lewisham Plus database.



Now incorporating Crownsavers Credit Union Ltd.

A credit union for the working community of London SE-Postcode Areas  
**CROWNSAVERS**  
CREDIT UNION LTD

## New Branch 20 Catford Broadway

We have inherited a new branch in a prime site, behind Lewisham Town Hall in Catford, in the former offices of Crownsavers.

This is now open for all Lewisham Plus members to use, from 9.30am to 4pm Mon to Fri (closed on Wed & Bank Holidays).

Being in the centre of Catford means our new branch is convenient for members shopping nearby, close to Catford and Catford Bridge stations and served by many bus routes.

*Please note no cash is held or accepted at Catford branch.*

Three of our five new staff were there on the launch day. Jennifer, Geraldine and Dorothea are in the picture at Catford office with its new signage, with Ravi Ravindran, CEO.



## About Crownsavers

It was founded in 1997 as Lewisham Employees Credit Union Limited. At 31 August 2023 Crownsavers had:

- 2,676 adult members
- 48 junior members
- £4.75m member savings
- £2.36m member loans
- 1,011 loans outstanding
- 15 payrolls, with 795 members

*I am delighted to see the coming together of Lewisham Plus Credit Union and Crownsavers Credit Union, in what is a transformational move designed to better serve members and prospective members in the relevant communities and linked employers in question.*

*The merger is testament to many months of tireless work behind the scenes from staff, directors and volunteers from both entities with that common goal of building financial resilience and improving the daily lives of members.*

*This collaboration is also a fitting tribute to the late Dolores Beckford, who led Crownsavers Credit Union with such tenacity over many years – we continue to miss Dolores presence and vigour.*

**Congratulations to all involved who made this combined entity possible from everyone at ABCUL.**

Robert Kelly – CEO  
Association of British Credit Unions Limited  
September 2023



# Q&A for former Crownsavers Members

From 1<sup>st</sup> September 2023, former Crownsavers members became members of Lewisham Plus. They have new member numbers, which are the same as previously, but with "60,000" added to the account.

For example, member 234 became 60234, and 1234 became 61234.

**What happens to my savings with Crownsavers?** Existing savings with Crownsavers were credited to your new account with Lewisham Plus. Regular payroll deductions and bank deposits continue to credit savings with Lewisham Plus.

Savings you were able to withdraw at any time continue to be available. Savings that were used as security for a loan continue to support loan(s) on the same terms.

Lewisham Plus uses the S2 account for secured savings. All secured savings held with Crownsavers were transferred into a new S2 account.

Lewisham Plus uses the S1 account for instant access savings. So your unsecured balance of Crownsavers Regular Savings S1 (for members with no loan) and from Crownsavers Instant Access Savings S2 were combined into Share 1 (new S1).

Christmas (S3) accounts replaced Christmas Club (XCLUB) savings.

For junior depositors, we moved savings into a new Junior Saving (JS) account with Lewisham Plus.

**What happens to my loan from Crownsavers?** Loans continue as before on exactly the same terms. Lewisham Plus has become the lender in place of Crownsavers. Members continue to pay the same amount each week or month in the same way as before.

Top-up loans are not a feature of Crownsavers loans. However, members can apply for a new loan from Lewisham Plus. If it is a larger loan, the new loan will subsume existing loan balance(s) when it is approved.

**Can I get another loan from Lewisham Plus in addition to my existing Crownsavers loan(s)?**

Apart from smaller loans for household goods or emergency use, Lewisham Plus does not generally allow members to have more than one loan. This is because one loan makes it easier for you, and for us to manage. We offer lower interest rates on larger loans (always subject to credit approval), so combining borrowing within one loan, with top-up loans where required, will usually mean paying a lower rate of interest on all borrowing. We see this as a better way to serve our members.

**What if I already had an account with Lewisham Plus?** Around 370 members had accounts with both credit unions, so now have two accounts with Lewisham Plus.

Both accounts will operate normally to begin with. However, we are required by the Prudential Regulation Authority to merge duplicate accounts. We will contact each member with two accounts to confirm how and when this will be done. We plan to merge the new (ex-Crownsavers) account into the existing Lewisham Plus account in most cases, but for some members we may need to go the other way around. Savings and loans will be combined in the merged account.

## Standing Orders

**Does my bank standing order need to change?** Existing standing orders to the ex-Crownsavers bank account will be credited to savings and loans. However the references on standing orders may be to the old member number, so we need to ask ex-Crownsavers members to update their bank reference. It will help to reduce any risk of delay to funds if members also move standing orders to the Lewisham Plus bank account.

Our bank details are:

Bank: **Co-operative Bank plc**

Sort Code: **08-90-29**

Account Number: **50305234**

Account Name: **Lewisham Plus CU**

Reference: **Member No** (account with Lewisham Plus) + **your initials**

## Loans Update

As part of our preparation for the merger with Crownsavers, as well as the introduction of the new FCA Consumer Duty, we have reviewed and refreshed our loan product offering. Our aim was to create one single range of products that will work well for both our existing members and our new members transferred from Crownsavers.

We said in our last newsletter that we might have to increase loan rates later in 2023, as our costs have increased, just like everyone else's.

We have needed to adjust interest rates for larger Personal loans and Loyalty Saver loans.

**New interest rates do not apply to existing loans – only new loans.**

Our new rates are still competitive, affordable and offer a good deal:

- **No change to SAYB loans or to Household Goods Loans**
- **No change to Personal Loans up to £3,499 (Level 1 and 2)**
- **16.1% APR** on £3,500 to £4,999
- **12.7% APR** on £5,000 to £9,999
- **9.4% APR** on £10,000 to £15,000
- **6.2% APR** on new Loyalty Saver loans

*These are fixed for the loan term, not variable rates that could go up if base rates rise again.*

We have introduced a new **Consolidation Loan** for members who would like to consolidate a number of existing loans with different lenders to reduce their loan servicing costs. We will consider lending between £2,000 and £10,000 for loan consolidation.

All loans are subject to meeting income thresholds for the relevant loan and affordability assessment.

We charge no penalties for early repayment and only charge interest on the amount of the loan. If you repay early, the loan will cost you less in interest due.

*Existing loans, whether made by us or by Crownsavers, are not affected by any of these changes, and will continue on their existing terms.*

# Payroll deduction lending and saving is good for members

In March 2023, Fair4All Finance published research which surveyed over 7,500 people across seven credit unions, and found that deduction lending is good for borrowers and good for lenders.

## What we found was overwhelmingly positive

### Good for borrowers

- **97%** of benefit loan users were very satisfied or satisfied with their loan
- Borrowers were **more confident in managing their money** and reported **positive impacts** on their wellbeing and mental health
- **Automated repayments** are the key reason for choosing this type of loan
- **Seven out of ten** borrowers agree this type of lending also helped them **save more regularly**

The lack of friction in the model helps borrowers budget, and it encourages positive money management and saving behaviour.

It works for lenders as the automatic repayments lead to lower defaults.

And it works for employers, improving the satisfaction and wellbeing of their workforce.

And importantly, there was no difference in borrowers experiencing financial difficulties compared to the more standard lending model.

**Lending via credit unions is universally seen as affordable.**

The results suggest very clearly that both payroll and benefit loan borrowers found their loans affordable, with 97% of borrowers across all three types of lending either strongly agreeing or agreeing that their loan was affordable.

**The results were uniformly positive across all the participating credit unions.**

### Good for lenders

- Deduction lending via credit unions is **universally seen as affordable**
- **Fewer** loan applications are rejected
- Automatic repayments **lower arrears and default levels**
- **Overwhelming customer satisfaction** and positive benefits

This research shows deduction lending can be a credible and effective way of increasing access to affordable credit for lower income households. It offers a scalable solution that can help many more households smooth incomes, meet unexpected costs and start to build their financial resilience.



## Employer view of deduction lending

All of the interviewed organisations provided a clear rationale for the provision of payroll deduction schemes. All were centred around supporting the financial and mental wellbeing of their employees.

*“For us, financial wellbeing is about doing what we can to help our colleagues live less stressful lives, have more control and do a little better”*

A major retailer

Providing access to affordable credit was recognised as an important part of supporting employee financial wellbeing. Providing safe employer facilitated lending helped employees avoid high-interest loans.

Best practice was also to build financial resilience through education, advice and savings.

**‘I think it’s fantastic. It’s definitely a thumbs up from me. It’s just it’s manageable, obviously because you’re not missing that money.’**

Payroll loan borrower,  
Enterprise Credit Union

Comments included positive impacts on sickness, absence & productivity due to reduced stress levels, and essentially helping the organisation to become an ‘employer of choice’.

Fair4All Finance were founded by the government in 2019 to tackle the issue of financial inclusion. See website <https://fair4allfinance.org.uk/>



## Lewisham Plus payroll lending

By merging with Crownsavers, we have taken on 15 payroll deduction employers. The largest are Lewisham Council (now also with Lewisham Homes) and Lewisham & Greenwich NHS Trust.

We are also delighted to be serving employees of Addey & Stanhope; Bonus Pastor School; Brindishe Schools; Deptford Park School; JSS Pinnacle; London & Quadrant; Marston NSL; Oakbridge Schools Federation; Phoenix Community Housing and Youth First.

**If you are an employee of any of these organisations, ask your employer for a payroll deduction form or use one from our website.**

You can use payroll deductions to save regularly and to repay loans.

We will not tell your employer about your financial circumstances. If you leave your job, you can repay your loan directly using a standing order.

## Consolidation Loan

As noted on page 2, we have introduced a new **Consolidation Loan** solution, at rates starting from 1.5% per month/19.6% APR.

Crownsavers previously had a consolidation loan product, and Lewisham Plus would consider the consolidation of existing debts as part of Personal Loan application.

If you have short term, high interest debt, our consolidation loan could be particularly attractive, especially as the cost of living crisis is putting pressure on household budgets.

For example, if you had existing debts of £3,000 repayable over the next 12 months at 75% APR\* or more (\*market rate correct at 10 Sep 23) you could refinance those debts into a Consolidation Loan at 26.8% APR repayable over three years, subject to affordability and other checks.

**That could reduce your monthly repayments from £334 to £118 for a much lower monthly cost.**

In this example the total cost of credit is £1,238 and the total repayable is £4,238 over 36 months.

For more information see:

<https://pluscu.co.uk/consolidation-loan>

## Cost of Living help

DWP is continuing to make one-off Cost Of Living payments. We paid out over five hundred £301 COL payments in April and May 2023.

We expect more payments in the autumn, winter and spring, but dates have not been announced. Not everyone will get their payment on the same day, so please be patient.

- **£300** COL paid in Autumn 2023
- **£300** extra Pensioner Payment paid in Winter 2023/4
- **£299** COL paid in Spring 2024

You will be entitled to DWP COL payments if you receive a means-tested benefit like Universal Credit, Employment Support Allowance (income based), Job Seekers Allowance, Child Tax Credit, Pension Credit or Income Support.

Full details are on the DWP website at: <https://www.gov.uk/guidance/cost-of-living-payment>

## Branch Contacts & Hours

**Sydenham** at 262 Kirkdale, SE26 4RS. Tel: 020 8778 4738

Email: [admin@pluscu.co.uk](mailto:admin@pluscu.co.uk)

**Mon-Fri 9.30am-1pm, 6.30-8pm**  
**Friday and 10am-noon Saturday**

**Catford** at 20 Catford Broadway, SE6 4SN. Tel: 020 8698 2996

Email: [catford@pluscu.co.uk](mailto:catford@pluscu.co.uk)

**Mon-Fri (ex Wed) 9.30am to 4pm**

**The Green Man** at 355 Bromley Road, SE6 2RP. Tel: 020 8461 4721

Email: [greenman@pluscu.co.uk](mailto:greenman@pluscu.co.uk)

**Mon-Fri 9.30am-1pm**

**Bromley** at 54 Cotmandene Cres. BR5 2RG. Tel: 020 8302 1541

Email: [bromley@pluscu.co.uk](mailto:bromley@pluscu.co.uk)

**Mon-Fri 9.30am-1pm**

**New Cross Learning**, 283-5 New Cross Road, SE14 6AS

**Mon-Fri 9.30am to 4.30pm**

Closed Bank holidays and as per notices on [www.pluscu.co.uk](http://www.pluscu.co.uk)

## PrizeSaver Account

Our instant access saving account with free prizes. Two lucky members have won £5,000 and others have won £20, all at no cost to them.

*Save up to £200 in a PrizeSaver instant access saving account and you could win free prizes too.*

## Download CU App

Download our **Lewisham Plus Credit Union Mobile App**, the most convenient way to manage your Credit Union savings and loans.



CU app QR Code for Android mobile devices

Search for "**Lewisham Plus Credit Union**" on Google Play or Apple App store to download our app.



CU app QR Code for Apple/iOS mobile devices

Our website supports mobile access and has an online Members' area. **Register online to see up to date transactions and make requests.**

## Grow your savings

Save up to £30,000, £4 joining fee for adults, no fee for young savers.

**To protect your funds, we require proof of ID for all withdrawals.**

Dormant accounts under £10 balance - annual £2.50 fee (adult and junior accounts with no transactions for over 12 months).

You also need to keep at least £1 in your share account or savings at all times to remain a member of the credit union.

### Corporate Accounts

Deposit account available for local associations, clubs and charities.

### Free Life Insurance included

Members up to age 70 receive up to £1,000 in life insurance on savings, at no charge. Loans are also covered up to a £5,000 limit, for members up to age 79.\*\*

\*\*All insurances subject to policy limits

## Loans for members

**Personal Loans** up to £15,000 from 0.75% to 2%pm (9.4% to 26.8% APR).

**Loyalty Saver Loan** 0.5%pm/6.2% APR, loan fully secured by savings.

**SAYB Loan** 2% to 3%pm (26.8% to 42.6% APR), save as you borrow, with reduced rate on loans of £800+.

**Household Goods Loan** up to £500 extra for existing borrowers in good standing, 3%pm (42.6% APR)

### Engage Ethical Card Services

Low cost prepaid Visa debit card, Classic £2 per month, no load fees.\*

**SmartCash** electronic pocket money for 8-16s. £10 initial fee will be credited to the account as a £10 deposit available to spend. No monthly fee.\*

Engage Premium Account Card service £5.95 per month\*

\*See full Terms and Conditions for details.

## Balance Enquiries

Text **Balance** to **07537 410334**

The text will cost your standard network rate for an SMS. If you don't get a response, email [admin@pluscu.co.uk](mailto:admin@pluscu.co.uk) with your name, member number and mobile phone number.

*We strive to promote financial inclusion and to be a trusted provider of financial services in Lewisham and Bromley.*

*Our individual and approachable service is volunteer led but professionally managed. We exist for you and because of you.*