

Credit Union Newsletter

Spring 2021

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Five★Fairbanking

We were delighted to be awarded two five star Fairbanking Marks, for our **Save as you Borrow** and **Personal Loan**, in September 2020.

Save As You Borrow Loan



The Fairbanking Mark is awarded by the Fairbanking Foundation, a charity dedicated to encouraging and helping financial providers to improve the financial well-being of their customers and the UK public.

The awards followed a survey of our members which also gave us helpful feedback. The survey showed that those able to make regular savings increased from 22% to 54% when they set up a loan, which was a significant positive result.

Personal Loan

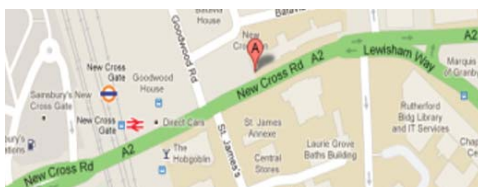


We are proud to be able serve our members with ethical loan services.



New Cross Learning branch opening

We opened an outreach point in the New Cross Learning Community Library premises in 2017, and aimed to expand this in 2020. Our plan was to provide a secure space to enable members in the north of Lewisham to access services, and to increase to 20 hours on-site per week.



There is significant local deprivation and few financial institutions such as banks and post offices in the vicinity. Unfortunately in March 2020 all library premises were closed due to coronavirus restrictions. New Cross Learning is still closed to comply with community safety regulations.

In November 2020 we were very grateful to be awarded a grant from the COVID-19 Community Led Organisations Recovery Scheme (CCLORS), distributed by Power to Change and funded by The National Lottery Community Fund.



This funded premises adjustments to enable us to open the credit union sub-branch independently of the library itself, and will contribute to marketing, staffing and financial advice services (see back page).

We are pleased to report that the premises work is on schedule to be completed, so we can finally open our branch at the end of January.

New Credit Union App launched



We are making it easier for you to manage your money from home or on the move 24/7, with a **new and improved Lewisham Plus Credit Union Mobile app**.

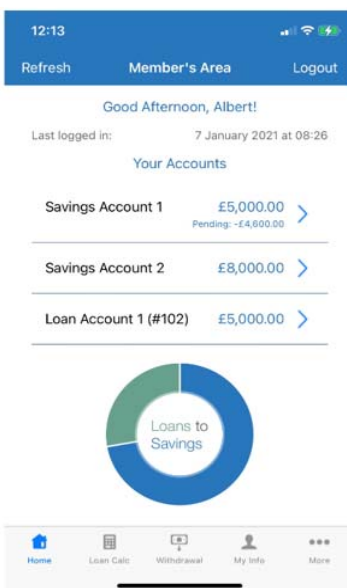
Accessing your account has never been easier. New features include:

- Easy secure biometric login
- More intuitive native app design
- Balances and transactions
- Statement search feature
- Newsfeed and push notifications

The app will enable joining and loan applications, as soon as these functions are released with Incuto.

To download the app just search for **“Lewisham Plus Credit Union”** on the Google Play or Apple App store.

The new app will be available for download from mid-February 2021.



If you already have the Incuto app, you can use the exact same login details in our new app!

The existing Incuto app will still be

available if you don't want to move to the new app just yet.

Our website supports mobile access and an online Members' area too.

AGM 24th Feb 2021

We invite and encourage all our members to attend our Annual General Meeting, to be held at:

6pm on Wednesday 24th February

At the AGM, we will provide an update on the activities of the Credit Union and invite you to ask questions or provide feedback about the Credit Union and its services.

This year we will hold the AGM online, due to the COVID pandemic, using the meeting platform provided by our trade association, ABCUL.

Please visit the AGM page on our website www.pluscu.co.uk and click on the link to register. You will need to enter your name, email address and member number. You will then receive an email with details of how to join the AGM from your tablet, smartphone or computer.

If you are interested in becoming a volunteer or officer for the Credit Union, please get in touch with a member of staff by visiting a branch, telephoning us on 020 8778 4738 or emailing volunteer@pluscu.co.uk

Annual Report 2020

We are pleased to report that, despite the pandemic, we have had another successful year.

Highlights for members are:

- Adult membership grew by 135 (1.1%) to 12,403 adults, plus 1,730 juniors and 42 corporate members. On average **121 adults joined the credit union each month**.
- Active adult membership reached 10,118 members (81.5%).
- **Savings grew rapidly by £2.08m (31.5%)** to £8.26m for adults, £357k for juniors and £44k for corporate members. Saving during lockdown added over £1m.
- Net loans (loans after provisions for doubtful debts) decreased by £118k (2.8%) to £4.14m. **We issued 6,681 loans totalling £3.24m**, down from 6,724 loans totalling £3.74m last year, mainly due to coronavirus lockdown
- Bad debt and provisions up by 0.4% to 6.1% (2019 was 5.7%)

- **Strong surplus** after tax and dividends of £306,347, increasing the key capital ratio to 10.5%.
- Dividends (subject to AGM) are:
 - **0.75% for junior savers** (1.50% in 2019)
 - **0.25% for adult and corporate members** (0.75% in 2019)

The board decided that due to the large increase in assets, requiring increased capital reserves, and the uncertainty caused by the pandemic, we would recommend a reduced dividend, to strengthen reserves to protect the credit union in 2021.

Revenue Account for year ended 30th Sept 20

	2020	2019
Loan interest receivable	961,053	870,484
Interest payable	<u>(46,247)</u>	<u>(27,269)</u>
Net interest income	914,806	843,215
Fees receivable	33,541	34,268
Fees payable	<u>(39,531)</u>	<u>(39,741)</u>
Net fees and commission	(5,990)	(5,473)
Other operating income	288,816	124,768
Administrative expenses	<u>(526,343)</u>	<u>(477,848)</u>
Depreciation	(33,405)	(32,459)
Other operating expense	<u>(106,176)</u>	<u>(99,865)</u>
Impairment on loans for bad and doubtful debts	<u>(220,414)</u>	<u>(196,997)</u>
Surplus before tax	311,294	155,341
Corporation tax	<u>(4,947)</u>	<u>(3,256)</u>
Surplus for year	<u>306,347</u>	<u>152,085</u>
Comprehensive income	306,347	152,085

'Interest payable' means dividends paid to members.

Balance Sheet 30th Sept 20

	2020	2019
Assets		
Cash and central banks	26,590	37,913
Bank accounts	5,730,483	3,228,462
Loans to members	4,138,161	4,256,279
Tangible fixed assets	83,124	107,982
Prepaid/accrued income	<u>41,628</u>	<u>32,415</u>
Total Assets	10,019,986	7,663,087
Liabilities		
Customer accounts	8,664,617	6,589,085
Other liabilities	37,096	31,337
Accruals/deferred income	<u>236,871</u>	<u>267,610</u>
	8,938,584	6,888,032
Other reserves	469,680	383,900
General reserves	<u>611,722</u>	<u>391,155</u>
Total reserves	<u>1,081,402</u>	<u>775,055</u>
Total Liabilities	10,019,986	7,663,087

Paul Treece, Treasurer - extract from audited accts.

We have been assisted by two separate grants, each of £100,000, which we received during the year.

The first, from the Lloyds Banking Group Credit Union Foundation, was designed to enable us to accelerate our growth in total members and lending, and to open our New Cross Learning outlet for at least 20 hours a week. One consequence of the pandemic was that we had to close our New Cross Learning outlet, as the library building was closed. We

are working on re-configuring the premises so that we can open it for our members – see *first page*.

The second grant, from Fair4All Finance, was awarded to assist us to manage the financial impact of the crisis. As at 30 September 2020, we had used £78,273 of this grant to support our income.

Our Annual Report and Accounts for the year to 30th Sept 2020 are now available on our website (under the "About Us" section). The report will be presented at our AGM, and is available at branches on request.

Our Vision

To promote financial inclusion and be the trusted and preferred provider of local financial services in Lewisham & Bromley

Our Values

- Placing members' mutual interests first
- Operating in an ethical way in accordance with the Co-operative Principles
- Being at the forefront of financial inclusion and embracing the diversity of our community
- Working with integrity, respect and equality of opportunity
- Supporting, valuing, training, engaging and encouraging staff and volunteers, who will always strive to exceed expectations.

Our Objectives

- To increase membership and grow our organisation sustainably
- To support and serve the financial needs of the people of Lewisham and Bromley
- For the members, staff and Board to reflect the diversity of the community we serve
- To embrace innovation and technology, while maintaining face-to-face services through our branches
- To ensure good governance, oversight, management and regulatory compliance
- To develop partnerships with key stakeholders who support our vision.

Directors' Report for Year to 30 Sep 2020

A total of ten directors, all unpaid volunteers, served on the board in 2019/20. Unfortunately, due to ill-health, John McCarthy stepped down during the year. The directors were able to use the AGM to pay tribute to John's tremendous contribution over an extended period, and as President from 2003 to 2019.



The Covid-19 crisis has overshadowed everything else in the past year. While the first half of the year proceeded in line with our expectations, and showed good growth in lending to members, the advent of the pandemic resulted in significant changes to our business.

Through rapid action we were able to equip staff to work from home where necessary; and thanks to the "can do" attitude and adaptability of our staff, we were able to keep our three main branches open to provide continuity of service to members.

The board also created a Covid-19 Committee which met frequently to monitor government guidelines and help steer the credit union's response. Our first priority has at all times been the health and safety of our staff and members.

The directors would like to express their appreciation for the exceptional dedication and enthusiasm of all of our staff, led by our CEO, Ravi Ravindran. They are vital to the successful operation of the credit union. The board would like to take this opportunity to thank each member of staff and volunteer for their commitment in the past year, especially given the additional challenges of keeping the credit union operating despite the pandemic. We have also benefitted this year from pro-bono support provided by staff at PwC, Legal & General and CMS.

(Shortened version from Annual Report)

Winter Payments for Bromley Council

Lewisham Plus has teamed up with Engage, the UK's largest provider of community banking solutions, to facilitate the rapid distribution of essential Covid Winter Grant payments to vulnerable people in the London Borough of Bromley.

The Government's Covid Winter Grant Scheme has been designed to support 'at-risk' individuals and families across England with the cost of food, energy, heating, water bills and other essentials.

Accessing the grant is proving difficult for people currently shielding due to the virus or with no access to a bank or payment card.

Bromley Council will refer eligible people to us, and we will open a regular saving account, waiving the £3 joining fee, and provide Engage instant debit cards to residents.

The process of issuing the Engage debit card is quick and simple. No credit checks are required, and grant funds are made available instantly to enable the cardholder to pay bills or shop for essential items either online, over the phone or in-store. Importantly, the contactless debit card provided means that all purchases can be made without the need to handle cash, so helping to reduce the risk of virus transmission.

Ravi Ravindran, CEO of Lewisham Plus Credit Union, explains: "We are pleased to welcome more residents as credit union members, and to be able to deliver the Covid Winter Grants for the community in Bromley. The Engage instant card is secure and convenient to enable access to goods and services".

Geoff Leech, Managing Director of Engage, added: "This initiative forms part of Engage's UK-wide effort to assist credit unions in helping the most vulnerable in society during these difficult times".

Stop Loan Sharks

Lewisham Plus has joined a new 'Stop Loans Sharks' project, working against the growing menace of loan sharks and to help tackle the scourge of illegal money lending.



The project is a joint venture with the England Illegal Money Lending Team (ILMT) and Engage. It aims to provide local residents with essential guidance on how to avoid illegal lending practices, as well as support for the victims of loan sharks and a pathway to more affordable, ethical loans via the Credit Union.

As a lack of banking facilities is one of the leading factors in why people resort to loan shark services, we will also offer Engage Accounts and contactless debit cards to members without bank accounts, with fees subsidised by the ILMT.

Tony Quigley, Head of the England ILMT, said: "This new initiative will play a key role in building financial resilience in the community and will help people avoid illegal money lenders." The project has been funded from cash recovered from loan sharks under the Proceeds of Crime Act (POCA).

Ravi Ravindran, CEO of Lewisham Plus added: "During a time of hardship, unregulated loans appear to be a quick solution to financial problems, but charges quickly spiral out of control. The Stop Loan Sharks project will promote an ethical, affordable alternative for all".

The Stop Loan Sharks initiative launches in January 2021 and will run for an initial period of 12 months.



Financial Advice

We are partnering with the 170 Community Project to offer help with financial advice, budgeting and benefit claims to the community, assisted by the CCLORS grant.

To take advantage of this service please contact credit union staff as soon as possible, so that we can arrange an appointment for you.

The **170 Community Project** charity has been helping people in Lewisham for over fifty years. It will provide this specialist service using qualified financial advisors to assist with evaluating benefit entitlements, form filling, budgetary advice and further support and sign posting.

We hope this will help members gain greater understanding and improve their financial management.

See www.170community.org for more information. Registered Charity No.1074622

Get More Social

Lewisham Plus CU are delighted to team up with Zync Digital, a digital marketing agency working exclusively with credit unions and social enterprises in the UK.

Zync Digital will be working to increase awareness and boost membership of the credit union, via online communication and social media campaigns, including promotion of our New Cross branch opening in January 2021.

You'll notice we're increasing our social media presence, and will be making improvements to our existing Facebook and Twitter channels, with two new channels to follow us on - **Instagram** and **LinkedIn**.

Anthony Bennett, Managing Director of Zync Digital, said: *"It's a pleasure for us to work with a credit union at the heart of the community. We're looking forward to helping improve Lewisham Plus Credit Union's online communication, to help grow the membership and to make the credit union more accessible for current members too."*

Be sure to follow us on all our social media channels, to keep up to date with your credit union, on the go.

You can **LIKE Lewisham+Bromley Credit Union** on Facebook then **SHARE** us with your friends.

Branch Contacts & Hours

262 Kirkdale, Sydenham,
London, SE26 4RS
Tel: **0208 778 4738**
Email: admin@pluscu.co.uk

The Green Man at 355 Bromley
Road, Catford, SE6 2RP
Tel: **0208 461 4721**
Email: greenman@pluscu.co.uk

Bromley Plus at 54 Cotmandene
Cres. St.Paul's Cray, BR5 2RG
Tel: **0208 302 1541**
Email: bromley@pluscu.co.uk

All open 9.30am-1pm Mon-Fri.
Sydenham only 6.30-8pm Friday
and 10am-noon Saturday.

New Cross Learning, 283-5
New Cross Road, SE14 6AS
Tue-Thu 9.30am to 4.30pm

Closed Bank holidays and as per
notices on our website.

PrizeSaver update

PrizeSaver is an instant access savings account that can also win prizes each month. HM Treasury provide a prize draw, on a trial basis, at least until March 2021. If the pilot scheme ends, the prize draws will cease. When this happens we will transfer PrizeSaver savings back into your main Share 1 account.

Improving Security for Member Data

In February our website will be updated from "http" to "https", which means that access will be secured by web service encryption. Most financial organisations now use this.

We discovered and resolved a vulnerability in our IT systems, and have strengthened our defences against cyber criminals. No personal or member data was accessed.

We would like to remind you how important it is to look after your personal data and to be vigilant against the risk of identity fraud.

Please do not share your passwords or PINs with anyone. You will find helpful guidance on how to protect yourself on the Action Fraud website at <https://www.actionfraud.police.uk/a-z-of-fraud/identity-fraud-and-identity-theft>

Grow your savings

Save up to £30,000, £3 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)

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 £10,000 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 APR if you qualify for an SAYB level 2 loan over £800.

Covid Support Loan 1%pm/12.7% APR, time-limited offer for benefit recipients to help with recovery.

Household Goods Loan up to £500 extra for existing borrowers, at the same APR rate as SAYB loans.

Engage Ethical Card Services

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

Smartcash electronic pocket money for 8-16s. £10 one off (may be waived under our offer), 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 with your name, member number and mobile phone number.

We strive to promote financial inclusion and to be the trusted and preferred provider of local 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.