

# Blantyre Credit Union Limited

Frequently Asked Questions (FAQ).

## **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. All of our members' savings are protected by the Financial Services Compensation Scheme.

## **What rate of interest do you charge?**

Credit Unions are restricted by legislation to a maximum interest rate of 2% (26.8% APR). Our current rate for all standard loans is 1% (12.7% APR). You will be informed of the rate of interest charged when you apply for a loan.

## **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, although this is paid as a percentage of your savings. Initially the return you will receive may be less than the rates paid by the bank, but as the credit union grows so will your dividend. Our members also have a choice to invest any profits back into the business.

## **What identification do I need?**

Like any financial institution we need to have proof of who you are *and* where you live. 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 the tax credit office together with a bank statement. A letter from the job centre confirming what benefits you are on together with a council tax bill would also be sufficient.

## **How do I join?**

Joining is simple. Fill in an application form and bring it into the office with a photocopy of two forms of identification to show 1) where you live and 2) who you are. You will also need to pay an initial deposit of £2 plus a one off £3 membership fee.

## **Do I have to give notice to withdraw money?**

The Credit Union account is a no notice savings account. 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 will endeavour to pay you in cash when ever we can, but if this is not possible we will supply with a letter that will allow you to cash the cheque at the Clydesdale bank opposite our office, alternatively we could pay it directly into your bank account. You must bring identification with you to receive your money.

## **How do I pay into the Credit Union?**

You can pay in cash, by cheque, via standing order, direct debit or bank transfer. You can download a standing order form or direct debit form from this website. You can also pay into your account using a Pay Point card.

## **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 your account number

## **What is my share account?**

You can have up to 3 savings accounts. By default your payments are posted to your share 1 account. If you wish to have other accounts credited please inform our office staff of how payments received should be split.

## **How much can I borrow?**

This will depend on your financial circumstances and the amount you have saved in your share 1 account. You are entitled to apply for double your savings held in your share 1 account. We specialise in loans of £3,000 or less as we believe we are the best deal for loans in this range.

## **Do you use credit scoring or credit reference agencies?**

We share information on your credit history with Equifax.

## **What if I can't repay my loan?**

We realise that things happen that make it difficult to keep up with repayments. The most important issue is to keep in touch – we can always look at rescheduling your loan if your circumstances change. 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; we enforce county court judgements and can apply to the Department of Work and Pensions for repayment of the loan direct from certain benefits. *If you fall behind with payments interest will accrue and it's always a good idea to try and pay off a bit extra when you can as it will save you money.*

## **Do you give debt advice?**

Our staff have a basic understanding of money advice to help us understand the problems you may be facing. We can refer you to various agencies to assist you with any financial problems you may have. Please ask any of our staff to assist you in this matter.

## **How do I get more involved?**

We are always looking for members to volunteer at the offices and run regular recruitment rounds. All members are also eligible to stand for election to our board of Directors.