



**Saving and borrowing and not just
for rainy days...**

Member's Guide

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Welcome to the SCVO Credit Union

As a new member, I would like to welcome you to the SCVO Credit Union. Membership of the SCVO Credit Union means that **you** are an owner of the only financial institution that uniquely serves the voluntary sector throughout Scotland.

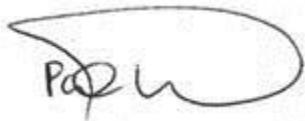
SCVO's credit union plays a small but significant role in a growing international movement. Over 40,000 credit unions across 79 countries enable 118 million members to access affordable financial services. Together, we make a difference that matters.

SCVO Credit union has now been in operation for over 10 years and throughout this time we have served over 2000 members with around 1400 actively using our savings and loan services. Currently these members have over 1.5 million in savings and around 700 members have loans of over 1 million with individual values between £100 and £15,000. Loans granted over last 12 years have totalled 6.5 million

SCVO's Credit Union has helped a great many third sector colleagues to manage their money – making what they have go further or borrowing prudently when required - during tough economic times. We've been here for our members at their time of need and made a difference to them when it mattered – and that's something we hope that we can help you with.

We can make more of a difference to more people if we succeed in growing our membership further. If we can encourage colleagues from across Scotland's third sector to get involved, save with us and consider us, when required, as their lender of choice, we can do even more to advance the principle of mutuality – helping ourselves and each other - which is central to the credit union movement

In the meantime - make full use of your Credit Union - that is what it's there for - and remember to tell all your colleagues and your family members (those that reside at your present home address).

A handwritten signature in black ink, appearing to read 'Paul J White', enclosed within a hand-drawn oval shape.

Paul J White
Convenor

1. Introduction

Credit unions are member-owned, not-for-profit financial cooperatives that provide savings, credit and other financial services to their members. Credit union membership is based on a common bond, a linkage shared by savers and borrowers who belong to a specific community, organization, religion or place of employment.

Our Common bond (field of membership) helps to ensure that credit unions take a more ethical, relational approach to banking, since their members have an interest in pursuing practices that are good for the Voluntary sector as a whole.

Credit unions pool their members' savings deposits and shares to finance their own loan needs rather than rely on outside capital. Members benefit from returns on savings, lower rates on loans and fewer fees.

Credit unions worldwide offer members from all walks of life much **more than financial services**. They provide members the chance to own their own financial institution and help them create opportunities such as starting small businesses, growing farms, building family homes and educating their children.

Regardless of account size in the credit union, each member may run for the volunteer board of directors and cast a vote in elections. In some countries, members encounter their first taste of democratic decision making through their credit unions.

SCVO Credit Union is authorised and registered by the Prudential Regulatory Authority (**PRA**) and governed by the Financial Conduct Authority (**FCA**) where we have to abide by the same principles and rules as Banks and Building Societies.

This includes strong administration and financial controls, the service of the Financial Service Ombudsman Scheme (**FSOS**) for ultimate complaints adjudication, and inclusion in the Financial Service Compensation Scheme (**FSCS**), which provides a guarantee for your savings with us.

The FSCS will usually be notified by the UK regulator that a credit union is insolvent. The FSCS can pay compensation for financial loss of up to **£85,000** if a credit union is unable to pay back deposits it owes to its members.

2. How does the Credit Union work?

We have tried to make the day to day operations and policies of the SCVO Credit Union easily understood and, from the members' viewpoint, easy to access. We offer payments methods:

- On completion of a Direct Debit form, we will automatically withdraw the agreed amount from your bank account on the 1st of each month.
- On completion of a Payroll Deduction /amendment form, it may be possible to deduct the agreed payment directly from your salary.
- By standing order that helps you make the date for payment
- By Internet transfer this allows for flexibility of repayments

There is a requirement for prior agreement with your payroll office and a minimum number of

members from your organisation for the viability of this service. Please contact the Credit Union office for further information.

3. Shares

Savings are made on a monthly basis, collected from you and credited to your Credit Union account. The amount you save should be one with which you are comfortable and which will not detract from your ability to meet anticipated monthly outgoings.

In addition to regular monthly savings you may make further occasional deposits provided that the accumulated total of your savings does not exceed £15,000.

Additional payments may be sent by cheque or by an internet banking method. When making a banking transaction by internet, please ensure that you have included the middle four digits of your account as part of the reference. (10999901).

In the event of a loan being taken out the credit union reserves the right to take a lien (held as security) over the shares in the account until such time as the loan is repaid. In the event of missed loan repayments these and any legal costs will be taken from shares held.

Interest (if paid), is based on each member's average share holdings, and processed once a year shortly after the AGM. The rate paid is provisionally determined by the Board and presented at the AGM for ratification by the membership.

4. Loans

Once a saving pattern has been established and in place for at least three months, you may apply for a loan of up to a maximum of three times the value of your accrued savings at the date of the loan application. (See Loans Policy)

In exceptional circumstances we would consider loans up to £15,000, however the latter would require members to fulfil additional criteria and provide additional documentation.

Loans fall into two categories, Secured and Unsecured. A loan is deemed secured when the amount borrowed is less than or equal to, the value of the borrower's savings. A loan is unsecured if the amount borrowed exceed the value of the borrower's savings.

Because an unsecured loan may expose the Credit Union to a higher degree of risk, and bearing in mind the Credit Union's duty to protect its members' savings, an application for an unsecured loan will be referred to the Credit Committee for approval.

The maximum repayment term for a loan is 36 months. Loans over £7,000 may be extended to be repaid over 60 months.

5. Share loading

The SCVO Credit Union has a policy against the use of 'share loading', which is the deposit of a lump sum to increase the share balance just in order to increase the amount that can be borrowed. Any share loading without reason may be held for up to six months.

6. Loan pay-outs

The SCVO Credit Union policy is not to make any payments in cash or by cheque. Your loan will therefore be credited electronically by BACS to your nominated Bank or Building Society Account. Loan payments will also be made to the bank account nominated on the Loan

Form.

7 Loan calculator

A loan calculator for approximate monthly costs is available on our website at <https://scvo.org/credit-union>

8 Loan repayments

The capital sum and the loan period determine the monthly payments required to repay your loan. Additional partial or full repayments are permissible at any time without penalty. You have the statutory right to cancel this credit agreement within 14 days on the payment of the outstanding loan plus any interest accrued. Please contact the credit union office immediately if you wish to exercise this right.

9 Payments by Direct Debits

If your existing monthly savings exceed the required loan instalments you need not increase your monthly payment, if not, your payments must be increased to a level at least sufficient to repay the loan over the agreed period.

By fully completing the loan application, any amendments to your direct debit are made automatically between the Credit Union and your bank.

10 Payments by Payroll Deduction

If your existing monthly savings exceed the required loan instalments you need not increase your monthly payment, if not your payments must be increased to a level at least sufficient to repay the loan over the agreed period or at the discretion of the credit union. Increase in payments can be done by the completion of an additional payroll deduction mandate as well as completing a loan application.

11 Saving through the loan repayment period

In order to provide our members with choice, it is the policy of this Credit Union to quote monthly loan repayment figures at the lowest amount possible, thereby making you aware of the benefit of low cost loans. However, in keeping with the philosophy of the Credit Union movement, we would strongly encourage you to continue saving during the lifetime of the loan

12 Loan interest

Standard Loans are charged at 1% (12.68% APR) per month on the reducing balance of the loan.

Refinanced Loans are charged at 1.5% (19.65% APR) per month on the reducing balance of the loan.

Loans £7,000 -£10,000 are charged at .75%.(9.38% APR) per month on the reducing balance of the loan.

Loans £10,000 - £15,000 are charged at .5% (6.17% APR) per month on the reducing balance of the loan.

13 Refinanced loans

In normal circumstances a member can have only one loan from the Credit Union at any one time. A loan may be refinanced up to three times after the initial loan, within normal lending criteria, before full repayment is required. Further Top-up loans are at the discretion of the credit committee

A minimum number of repayments – normally 25% of the value and term of loan being refinanced and at least six months must be repaid before refinancing is considered.

A loan out with normal lending criteria might be considered to assist in meeting an emergency situation. For complete updates on all our loans please read the loans policy or contact the credit union.

14 Changing Circumstances

We are extremely mindful that missed credit union payments can be due to unforeseen circumstances. If you are experiencing a change to your circumstances, we could be in a position to help you by reducing your repayment amount, extend the loan period and in some cases stop the accumulation of interest payments for a period of time.

Remember that all information received from or about you is held in total confidence and will not be divulged, but we do need full details of your changed circumstances in writing for us to help resolve your problem. Please remember **'We can only help you if you talk to us.'**

15 Loan Cancellation Rights

You have the statutory right to cancel a loan credit agreement within 14 days on payment of the outstanding loan plus any interest accrued. Please contact the credit union office immediately if you wish to exercise this right.

16 Loan Insurance

Other than for pre-existing condition limitations all loans, after a health qualifying period of six months, made by the Credit Union are insured for the death of the borrower. In this unfortunate event any loan outstanding, up to the prescribed maximum in force at the time, will be claimed against the Credit Union's insurance policy taken out to cover such eventualities.

17 Annual Account Statements

Once a year a statement, showing all financial transactions on this account for the previous year up to the close of business on the 30th September, will be issued. Interim balance details if required can be obtained on application to the Credit Union office at any time.

The credit union is exploring on line viewing for members and this will replace annual statements being sent out to members. Savings withdrawal

You may withdraw all or part of your savings at any time on giving written notice or email, to the Credit Union. If you have a loan you must maintain the balance of your shareholding with the Credit Union at no less than one third of the balance of the loan.

This condition applies for the duration of the loan. Transfer of your savings will be by electronic transfer to your nominated bank account. Shares withdrawals may not be

permitted if no loan repayment has been made for three months.

18 Retiring or leaving the voluntary sector (Place of Employment)

In the event that your association with an SCVO member organisation is broken you may continue in membership of the SCVO Credit Union but must advise the Management Committee of the changed circumstances as soon as possible. Your co-operation in this respect will be appreciated because the Credit Union is required to monitor its membership to ensure that the Common Bond is maintained at an appropriate level.

19 In-operative Accounts

Any account held with £25 or less in shares and does not have any transactions between 1st October and 30th September the following year will be subject to a £5 annual charge until the account is either closed, or transactions re-started. This charge is non refundable.

20 Ceasing membership

You may end your membership at any time simply by notifying the Credit Union on the appropriate form that you no longer wish to be a member. Your accrued savings balance at the date of resignation will be transferred to your nominated bank account.

Note however that the balance of an outstanding loan in your name will be set against your accrued savings, or must otherwise be paid in full, before your resignation can be accepted. It may also be possible to reduce your balance to a minimum of £5 and put your monthly savings payment on hold.

This would allow you to maintain your account with us until such time as your circumstances improve and you restart your savings plan. Please contact the Credit Union should you wish to consider this option.

21 Obtaining additional forms

Additional forms may be printed from our website at www.scvo.org.uk/creditunion. Requests can also be made by email at credit.union@scvo.org.uk or by telephone on 0131 474 8003

22 Governance

Data Protection / Sharing Information

SCVO Credit Union Limited will process your data in accordance with your rights under the Data Protection Act 1998. Why we collect information about you?

We collect data about you:

- . To confirm your identity
- . To set up and then administer your accounts
- . To let you know about other relevant products and services
- . To update our member records
- . To carry out statistical analysis to enable us to improve our products and services
- . For crime prevention and for legal and regulatory compliance
- . For computer system testing

In some instances, we will be unable to provide you with a product or service, if you do not provide us with the necessary information or give us your permission to process and store that information.

What do we do with your data?

Most of the information we hold is stored electronically on computer systems. However, some data, for example the details you handwrite on an application form are held temporarily as manual or paper copies. We are confident that our systems are secure, and that no one will be able to access your information unlawfully.

How we use your data

Confirming your identity to meet our responsibilities for crime prevention and for legal and regulatory compliance, we need to confirm the identity of every applicant who applies for an account with us.

Credit referencing

If you apply for a loan we will perform a search with a licensed credit reference agency we will also perform a similar credit reference search when you first join the credit union.

Fraud prevention and detection

We share personal data with a number of other financial service providers through different schemes. The main purpose of this is to protect us against fraud or any other criminal activity. All financial institutions are required by Money Laundering legislation to collect and record personal data to confirm a customer's identity and to report any suspicious transactions to the the appropriate authorities.

Telephone calls and Emails

We may record or monitor any telephone calls you make to or from us to increase our security and for staff training purposes. If you email us we will keep a record of your contact and your email address.

If you send SCVO Credit Union Limited an email, containing confidential information, it may be lost or intercepted before we receive it. We cannot accept liability for losses in these circumstances.

Data Protection legislation

The Data Protection legislation defines the legal responsibilities of data users such as ourselves. It covers the collection, storage, use, processing, disclosure and transfer of personal data.

Examples of personal data are your name, postal address, email, age, sex etc. You have a right of access under data protection legislation to your personal records held by the Credit Union on payment of a £10 fee, payable to SCVO Credit Union Limited.

The Credit Union is governed by and for its membership. Three committees are elected at the Annual General Meeting to oversee the management of the Credit Union. Members of these committees act in an entirely voluntary capacity and receive no remuneration. Committee members have a statutory duty to abide by the rules of the Credit Union and at all times act in the interest of the Credit Union and its members. The committees elect their office bearers from within their own membership.

23 The Management Committee

The main committee of the Credit Union, with a remit to establish policies and procedures, to oversee financial and administrative operations and to report to members and the Registrar, and to ensure that the Credit Union accounts are audited annually.

24 The Credit Committee (Loan officers)

This committee works within the policies and procedures established by the Management Committee to consider all loan applications and authorise those which are approved for payment.

25 The Supervisory Committee

The Supervisory Committee is the compliance watchdog of the Credit Union, established to ensure that all policies and procedures are developed within the framework of the law and rules governing the Credit Union movement, and adhered to at all times by the Management and Credit Committees.

25 Complaints Procedure

A Complaints Procedure is in place to ensure an equitable resolution of any difference you may have with the Credit Union. Should you wish to make a complaint you should write in the first instance to the Credit Union Secretary, giving full details and marking the envelope Private and Confidential.

26 Cancellation Rights

A member has the right to cancel their membership with the credit union without penalty within 14 days of the day of the conclusion of the contract, or from when they receive the contractual terms and conditions.

27 Treating Customers Fairly Policy

Fairness underpins our ethos towards our new and existing members. And as member owners of the 'Credit Union' we encourage your active participation. Your interest, views and opinions matters to us, as they help to shape and introduce changes which will deliver real benefits for all our members.

We continuously bring to bear this policy through our risk assessment procedures, the exposure of loan defaulters and we also implement polices to reflect the changes in anti-money laundering practices & procedures.

If you require any further information please do not hesitate to contact us. We can be contacted directly on 0131 474 8003.

28 How you can help the Credit Union

At the very least simply by being an active member, saving and borrowing sensibly and regularly, and acting as an advocate for the Credit Union by encouraging others to see the advantages, join and do likewise.

Success for your Credit Union and the development and introduction of new features and services will come as the SCVO Credit Union expands in size and penetration throughout the

voluntary sector in Scotland. Your help in that process will be invaluable.

Willing volunteers are always welcome – and the tasks are interesting and educational. Please eventually give serious consideration to standing for office and contributing to a vibrant future for the SCVO Credit Union.

29 How to contact the SCVO Credit Union

By Post, mark your envelope Personal and Confidential and post it to:

SCVO Credit Union Ltd
Mansfield Traquair Centre
15 Mansfield Place
Edinburgh,
EH3 6BB

Telephone and for General enquiries until further notice the office will be staffed between 9.00 am and 4.30pm from Mondays - Thursday . Friday 9.00 am to 12.30pm

Call us on 0131 474 8003 and leave message on answer-phone From January 1st 2014 please dial 0131 524 7299

By E-Mail

credit.union@scvo.org.uk

Web

<https://scvo.org/credit-union>

Financial Administrators:

jane.baillie@scvo.org.uk

lornah@scvo.org.uk

Manager

thomas.mcvay@scvo.org.uk

Contact through your Employer

Some SCVO member organisations will designate a staff member to act as liaison between members of the Credit Union and the Credit Union administration.

Please check with your employing organisation to see if that facility is available and once again thank you for becoming a member of SCVO Credit Union.

This booklet is intended as a general guide to the policies and procedures governing the SCVO Credit Union and should be read only as such.