

Irish League of Credit Unions

The Northern Ireland Credit Union Movement



POLICY MANIFESTO

2024



Irish League
of *Credit Unions*

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Foreword

For nearly 65 years, credit unions have provided vital community-powered financial services for the people of Northern Ireland. It is an unprecedented story of growth and success.

Our first credit union was set up in Derry in 1960. Today we are at the heart of every community. More than a third of the entire population is a member of a credit union.

We also account for more than a third of all unsecured personal loans in Northern Ireland, more than any of the commercial banks.

Many peoples' lives have been transformed thanks to the support of their credit union. Credit unions are not-for-profit co-operatives owned by their own members. They are the ultimate example of community power in action, neighbours lending a hand to each other to the benefit of all.

Our movement has been extraordinarily successful, but we cannot afford to stand still if we are to rise to the many challenges ahead.

We can do more to help grow the economies of all the communities that we serve, we can roll out new financial services, for individuals, small businesses, and community organisations.

Credit unions are well placed to fill the void left by the banks which are closing their branches in so many of our towns and villages.

We want to build on this so that, in the next 65 years, we can improve access to community financial services and help power the economy. Crucially we'd like to be able to invest some of our surplus assets to address social needs.

However, there are obstacles and challenges.

To overcome these, we will need help from government during its next mandate.

To date we have enjoyed the support of all parties in Northern Ireland, and we are extremely grateful for that - cross-party support has been an important ingredient in building our success, and we're asking for support again as we prepare for the next phase of our development.

This document outlines the measures we are asking policymakers to help us with so that together we can build the financial wellbeing of individuals and communities to the benefit of all.

We are committed to working in partnership with government and all our other stakeholders to rise to the challenges thrown up by these rapidly changing times to ensure that credit unions remain fit for purpose for the next 60 years and beyond. We want to build sustainability within our movement and to play a full part in future economic growth.

A handwritten signature in black ink, appearing to read 'M Fisher'.

Martin Fisher
Head of Northern Ireland,
Irish League of Credit Unions

CREDIT UNIONS AT A GLANCE*

ROOTED IN COMMUNITY

83 ILCU CREDIT UNIONS
in Northern Ireland

1 IN EVERY 3 PEOPLE
in Northern Ireland has a
credit union account

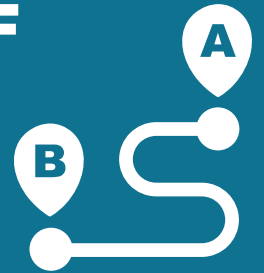


Today we are at the
**HEART OF EVERY
COMMUNITY**

A LONG TRACK RECORD OF DELIVERY

Nearly
65 YEARS

supporting communities in
Northern Ireland. Credit unions
are the original responsible,
accessible and affordable
finance providers and
COMMUNITY WEALTH BUILDERS



OUR POTENTIAL



COMBATTING financial exclusion

Sustainable and green **COMMUNITIES**

SME and Community **LENDING**

10x Strategy for innovation and
economic growth

STRONG ASSET BOOK



TOTAL ASSETS
£1.87 BILLION

SAVINGS
£1.61 BILLION

LOANS
£644 MILLION

Three Key Asks

1.

MAKE CREDIT UNIONS FIT FOR PURPOSE FOR THE NEXT 65 YEARS

- Credit Union legislation has been updated in Great Britain and Republic of Ireland allowing credit unions the ability to broaden the products and services they provide to their members.
- The credit union legislation in Northern Ireland is now almost 40 years old and requires updating.
- Legislation for credit unions has been updated in both Great Britain and Republic of Ireland. The same must happen in Northern Ireland.
- We are calling upon the Northern Ireland and UK government to update the credit union legislation and regulatory rules, to reflect a changing landscape and enable us to fulfil our mission in a new age, refreshing and renewing our offerings to meet new and emerging demands on our services;

2.

WE NEED FINANCIAL SUPPORT FOR NEW DIGITAL PLATFORMS AND SERVICES, TO REFLECT CHANGING CONSUMER NEEDS

- Credit unions in Great Britain have been able to avail of a multitude of direct financial supports from the UK government over the last decade. That money has never been provided to credit unions in Northern Ireland. We are therefore being treated differently.
- Direct government financial support for credit unions' digital platforms is an investment that can lead to profound positive impacts. It promotes financial inclusion, drives technological innovation, levels the playing field with larger financial institutions, strengthens cybersecurity, and contributes to economic growth.
- A specific rates scheme exemption for credit unions for non-domestic rating system purposes.

3.

SUSTAINABILITY

- Achieving a sustainable future requires collective and immediate action from us all.
- We believe that credit unions can play a part within their communities to promote sustainability and the journey to energy efficiency
- The Northern Ireland government must provide certainty around green home improvements with a package of incentives and regulations
- Improve EPCs

1. Making credit unions fit for purpose for the next 65 years

UPDATING NORTHERN IRELAND CREDIT UNION (AND RELATED) LEGISLATION

How credit unions develop over the years ahead will determine their viability and longer-term existence.

We want to maximise our contribution to society and be better positioned to address the challenges over the next 60 years.

The current credit union legislation is almost 40 years old. While a review took place in 2016, this was limited in nature and so the current Credit Unions (Northern Ireland) Order 1985 (as amended) needs to be updated to ensure that our services remain relevant and equivalent to those of our sister credit unions in Great Britain and Republic of Ireland.



There is now precedent for one jurisdiction in the UK proceeding ahead of the other in the amendment of credit union legislation and provision of additional products and services to their credit union members.

As such, we do not expect there to be any legislative or regulatory reason for a delay to the corresponding amendment of regulatory rules where there to be a situation in which Northern Ireland legislation is amended to go beyond that which is enacted in Great Britain.

To do so, would be to the detriment of the hundreds of thousands of credit union members across Northern Ireland.

“The Government should expand the scope of products that credit unions can choose to provide to their members and, where appropriate, should amend the rules under which credit unions operate in order to enable them to take up these opportunities”.

The House of Lords Select Committee on Financial Exclusion 2017

.....
“Credit unions offer an important alternative to high-cost credit and enable wider financial inclusion. To fully realise their potential there is a case for removing some of the current restrictions on their activities. The FCA should work with the Bank of England, Treasury and Northern Irish government to set the timetable on updating the Credit Unions Act 1979 and Credit Unions (Northern Ireland) Order 1985 to allow credit unions to expand their product offering.”

The FCA Woolard Review- February 2021

LEGISLATION HAS NOW MOVED FORWARD IN GREAT BRITAIN AND REPUBLIC OF IRELAND

Great Britain

Updates to the credit union legislation in Great Britain were passed by the UK government in June 2023. The updated legislation now allows credit unions to offer hire purchase & conditional sale agreements, and insurance distribution. These amendments represent some of the most significant changes to the Credit Union Act in over 40 years and will allow credit unions to offer a range of products to suit the needs of a modern member.

Republic of Ireland

This first major legislative change for Irish credit unions since 2012 is a large and fundamental revision of legislation to credit union lending through the expansion of services and encourage further community development. It will:

- Support investment in collaboration through the creation of corporate credit unions as an additional regulated vehicle through which credit unions can collaborate.
- Improve members' services by allowing credit unions to refer members to other credit unions and to participate in loans of other credit unions.
- Support enhanced governance to facilitate a greater focus on strategic planning and to redress the balance of responsibility on the board between directors and management.



Northern Ireland

We require amendments to the existing legislation to our statutory objects. Wider statutory objects will ensure that credit unions have the legal ability to develop and provide financial products to meet their members' needs and will ensure there is no confusion over the ability of credit unions to provide such services. A detailed analysis of the changes we would like to see is contained in the appendix to this document.

Credit unions in Northern Ireland are in a unique position to help stakeholders address financial exclusion. Regulators and government be that in London or Belfast, therefore, needs to help the credit union movement in Northern Ireland to offer further flexibility in the services they can provide.



TOWARDS A 10X ECONOMY

Credit unions can play a role in assisting the Department for the Economy in Northern Ireland with its ambitious 10x Strategy for innovation and economic growth, as outlined in the document titled “10x Economy NI: A Decade of Innovation.”

The Department for the Economy’s 10x Strategy envisions a decade of innovation, focusing on achieving tenfold economic growth in Northern Ireland. To reach this goal, it is essential to leverage various resources and stakeholders, including credit unions, which can be invaluable partners in this journey. Credit unions are not only financial institutions but also community-focused organisations, making them well-suited to supporting the strategy. By way of example, one of Northern Ireland’s most successful companies First Derivatives was started with a credit union loan of £5,000 from Newry Credit Union to become one of the top 3, all time best performing companies listed on AIM Stock Exchange and now has offices globally in every major financial capital.

FINANCIAL INCLUSION AND ACCESS TO CAPITAL

Credit unions have a strong presence in local communities and are committed to promoting financial inclusion. Credit unions can help ensure that all segments of the population have access to affordable financial services, including credit and savings. This will empower individuals and small businesses to participate actively in the region’s economic growth.

SMALL BUSINESS DEVELOPMENT:

Credit unions have a track record of supporting small and micro-businesses. They can offer access to affordable loans and financial education to help entrepreneurs and small business owners turn their innovative ideas into successful ventures. Collaborative programs that connect credit unions with local startups and business incubators can be established to boost the entrepreneurial ecosystem.

COMMUNITY ENGAGEMENT AND AWARENESS:

Credit unions are deeply embedded in the communities they serve. They can be instrumental in raising awareness about the 10x Strategy, educating the public about its objectives, and encouraging community participation. Their local branches can serve as hubs for discussions, workshops, and events related to innovation and economic growth.

INVESTMENT IN GREEN AND SUSTAINABLE INITIATIVES:

The 10x Strategy places a strong emphasis on sustainability and green initiatives. Credit unions can play a role by offering green financing options for energy-efficient home improvements, electric vehicle purchases, and other eco-friendly projects.

Credit unions can play a part in achieving these goals by promoting financial inclusion, supporting small businesses, engaging with local communities, and fostering sustainable initiatives. Their dedication to financial education makes them ideal partners to help the public understand and embrace the strategy’s vision.

2. Support for new digital platforms and services, to reflect changing consumer needs

Credit unions across Northern Ireland are at different stages in the digital journey and the services they provide to their members.

We require financial support to undertake the technological changes necessary to continue to provide services to the next generation of members.

ENHANCING FINANCIAL INCLUSION:

By providing direct financial support for the development of digital platforms, the government can help credit unions expand their outreach. These platforms can be designed to be user-friendly and accessible, ensuring that individuals with limited access to traditional banking services can now participate in the digital economy. This will significantly contribute to greater financial inclusion, reducing disparities in access to financial services.

STIMULATING TECHNOLOGICAL INNOVATION:

By supporting credit unions in the creation of cutting-edge digital platforms, the government encourages innovation within the financial sector. These platforms can incorporate advanced technologies such as mobile banking apps, online loan origination, and digital payment solutions, making it more convenient for members to access and manage their finances.

CYBERSECURITY AND DATA PROTECTION:

With the increasing reliance on digital platforms for financial transactions, cybersecurity and data protection are paramount. Government support can enable credit unions to invest in robust security measures, ensuring that members' personal and financial information remains safe. This, in turn, enhances trust and confidence in credit unions' digital offerings, encouraging more individuals to embrace online banking.

ECONOMIC GROWTH AND JOB CREATION:

The development of digital platforms within credit unions creates jobs in various sectors, from software development to customer support. This not only stimulates economic growth but also fosters employment opportunities in local communities. Additionally, it can attract tech talent to credit unions, helping them build the expertise needed to sustain and expand their digital capabilities.

Large commercial banks have substantial resources to invest in technology, often leaving credit unions at a technological disadvantage.

Direct government financial support for credit unions' digital platforms is an investment that can lead to profound positive impacts. It promotes financial inclusion, drives technological innovation, levels the playing field with larger financial institutions, strengthens cybersecurity, and contributes to economic growth.

Credit unions are anchor institutions and form part of the fabric of the Northern Ireland financial services landscape.

There are important opportunities for collaboration and partnership to build upon community wealth building and bridge the gaps in areas of banking services and financial exclusion.

Our view is that Northern Ireland credit unions are best placed to address those issues and we need to make sure credit unions are stronger through appropriate supports.

THE CREDIT UNION DEFICIT IN NORTHERN IRELAND

Today we are at the heart of every community in over 120 locations across Northern Ireland. We have almost 50% of the total assets of the credit union movement of the entire United Kingdom.

However, credit unions in Great Britain have received financial support from the UK and devolved governments through various initiatives aimed at promoting financial



inclusion and community development. These initiatives have included grants, funding for capacity-building programs, and regulatory support to help credit unions expand their reach and improve their services.

It's worth noting that Northern Ireland has faced a different situation over that period.

The absence of direct financial support for credit unions in Northern Ireland from the Northern Ireland or UK government has created disparities in resources and opportunities for credit unions.

In addition, the UK, Scottish and Welsh governments have proactively worked through a myriad of different initiatives to raise the profile of credit unions in their own jurisdictions such as the Scottish government writing to all businesses in Scotland to encourage the update of payroll deduction schemes for employees with credit union accounts as part of its Scottish Business Pledge.

In Republic of Ireland, credit unions are exempt from the payment of corporation tax on income, whereas in the UK, credit unions pay corporation tax on investment income.

RATES

Our credit union counterparts in Great Britain, can apply for specific discretionary rates relief from their local authorities. Indeed, the Welsh system has specific exemptions for credit unions. We also note the small business rate relief which has been made available for post offices in the past with the aim “to help maintain services in disadvantaged areas, particularly smaller, independent Post Offices”.

We see no reason given the equally crucial services that are provided by credit unions as to why due consideration should not be given to the introduction of a similar scheme for Northern Ireland credit unions. The current rating system is a levy on social capital.

As banks close more and more branches in rural towns and communities throughout Northern Ireland, affordable credit becomes harder to access and money lenders or payday loan companies (both legal and illegal) prey upon the vulnerable.

We believe there has never been a greater need for credit union services.

Specific provision for credit unions would be a rather modest step within the total rates system itself but would strongly highlight the key role and contributions that credit unions make in all communities within Northern Ireland. It would be a welcomed mechanism to allow credit unions to thrive and prosper in the service of the communities in which they operate.

IMBALANCE

Addressing this imbalance in support is crucial in ensuring that credit unions across the UK, including those in Northern Ireland, can thrive and fulfil their mission of supporting local communities. This is despite a motion passed by the Northern Ireland Assembly in February 2014 calling for around £860,000 per year for five years to cover start-up costs to enable 75 credit unions across Northern Ireland to offer current accounts, debit cards, inward and outward payments, direct debits and standing orders. To, no date, no further action or resources have been forthcoming from the Assembly or Department for Economy in relation to that motion.

GREAT BRITAIN

From 2006 to 2011, approximately **£100 million** invested as a growth fund for credit unions and other not-for-profit lenders in England, Scotland and Wales.

Community Finance Resilience Fund- **£5 million**

Covid-19 Resilience Fund - **£3.9 million**

WALES

Access to Financial Services through Credit Unions Project - **£3.5 million**

Support in 2022 - **£1.2 million**

Support in 2023 - **£500,000**

ENGLAND

Credit Union Expansion Project - **£38 million**

SCOTLAND

Third Sector Resilience Fund - **£20 million**

Scottish Community Lenders Fund - **£15 million**

TOTAL - £187.1 MILLION

A glance at some of the schemes which have supported credit unions in Great Britain over the last decade alone provides a stark comparison of the way Northern Ireland credit unions have been treated³.

NORTHERN IRELAND

Ballycastle Credit Union to implement digital presence - **£92,000** grant
Macnean Credit Union **£20,000**

Credit unions have some minor ad-hoc supports from local councils



³In 2009 the Committee for Enterprise Trade and Investment stated "In order to bring Northern Ireland into line with funding already available to credit unions in GB, it is recommended that the Growth Fund, and any future such funding, be extended to include credit unions here."

3. Sustainability

Credit unions have a role to play in addressing sustainability and climate change within their communities. They are uniquely positioned to promote environmentally responsible practices and support initiatives that contribute to a more sustainable future.

1. PROMOTING GREEN FINANCE:

Green lending refers to the practice of making loans available to finance projects that promote environmental protection, conservation, and sustainability. By providing green lending, a credit union can help its members to access the capital needed for projects that will promote environmental stewardship. By providing access to affordable credit that promote environmental protection, conservation, and sustainability, a credit union can help to create jobs, reduce pollution, and stimulate economic growth in its local community. This can include offering loans for energy-efficient home improvements, electric vehicles, or solar panel installations.

2. COMMUNITY-BASED INVESTMENTS:

Credit unions are deeply rooted in their communities, and they can use this advantage to promote local sustainability initiatives. They can invest in community projects that focus on clean energy, sustainable agriculture, or eco-friendly infrastructure.

3. EDUCATION AND AWARENESS:

Credit unions can serve as hubs for environmental education and awareness. By fostering a better understanding of these issues, credit unions empower individuals to make informed choices that reduce their environmental impact.

4. SUPPORTING SUSTAINABLE BUSINESSES:

Credit unions can prioritise lending to sole traders and local small businesses that have sustainable and eco-friendly practices. By offering loans and financial support to these enterprises, credit unions contribute to the growth of businesses that are committed to reducing their carbon footprint and adopting environmentally responsible practices. This, in turn, promotes sustainability within the community's economic ecosystem.

5. ENVIRONMENTAL STEWARDSHIP:

Credit unions can lead by example by adopting sustainable practices within their own operations.

The Northern Ireland government must provide certainty around green home improvements with a package of incentives and regulations



REFORM PROPOSALS

REF	PROPOSED LEGISLATIVE AND REGULATORY AMENDMENTS AND COMMENT.
1	Insert new optional objects for Northern Ireland credit unions to undertake wider products and services to their members including the ability to undertake insurance distribution activities. Give the power to Department for Economy (DfE) to add further services to the 1985 Order via secondary legislation. This power would provide DfE with greater flexibility to support the credit union model to adapt more quickly to changing demands in product offerings, remain competitive as a sector, and continue to serve their members effectively, while still maintaining the lighter-touch regulatory benefits of the prescriptive regime by ensuring there is still scrutiny over which products and services may be offered.
2	Article 28 (1A) of the 1985 Order- Total amount of outstanding balance of loans made to corporate members must not exceed 10% of the total amount of the outstanding balances on loans made by the credit union to member. Many of our larger credit unions are already at the limit by which they can lend to corporate members within their communities. This should be increased to 25%.
3	Referral of members to allow for introduction of members to other credit unions to access other services/ products
4	Allow credit unions to engage in loan participation lending
5	Allow for credit unions to lend directly to certain classes of public bodies
6	Shared Services- Creating legislative provisions which would support the establishment of Credit Union Service Organisations (CUSOs) and other means of sharing services between credit unions. Amendments to PRA rules to allow investment directly in CUSOs. These central institutions open up additional opportunities by operating on a larger scale than individual credit unions could do alone.
7	A statutory right for payroll deduction much like PAYE should be sought ⁴ . Buy in from NI Executive required.
8	Family members not resident at the same address as the qualifying member to be allowed to join a credit union on the basis of familial ties alone.
9	Acknowledgement of the unique circumstances of credit unions in personal insolvency. Exemption/ derogation for credit unions from individual voluntary arrangements (IVAs) and debt relief orders (DROs). Credit unions only recover their capital/principal interest and we do not top load our charges or interest rates. On the basis that we are being increasingly utilised as part of government policy in fighting financial exclusion, this should be explored.
10	Access to Bank of England Sterling Monetary Framework
11	Changes to the Credit Unions (Northern Ireland) Order 1985 (as amended) (the 1985 Order) to allow for negative interest rates in respect of negative interest bearing shares
12	Pooling of surplus funds to invest in social projects or infrastructure. This would allow investment in larger projects. Amendment of PRA rules to allow social housing/local authority investment opportunities.
13	Statutory footing and recognition of utilising credit unions in helping to fight financial exclusion
14	Make the process for appointment of a new auditor more streamlined
15	Allowing for collaboration across common bonds to improve choice and access.
16	Special exemption for credit unions for non-domestic rating system purposes.
17	Increase in statutory interest rate from 1% to 2%
18	Offer the ability to offer deferred shares.
19	Create a new class of deferred shares for corporate members.
20	Dormant accounts - Recognise the unique nature of credit unions. Set up a specific system whereby a credit union deposits the abandoned funds to a combined special capital fund. Thereafter, no dividends or interest will accrue to the abandoned accounts and membership of the credit union may be forfeited. Share and deposit accounts, dividends, interest and other sums due to a member or other person and held by the credit union may be presumed abandoned unless the owner has contacted the credit union in person or in writing within a period prescribed by regulation or has otherwise indicated an interest in the funds. Nominations which haven't been claimed after certain period to be put into central dormant fund. The central fund can then be accessed by social or charitable organisations within Northern Ireland

⁴[https://hansard.parliament.uk/Commons/2016-10-17/debates/6F19E4B9-7D75-437C-ACD3-6215D5D0D3DB/Savings\(GovernmentContributions\)Bill](https://hansard.parliament.uk/Commons/2016-10-17/debates/6F19E4B9-7D75-437C-ACD3-6215D5D0D3DB/Savings(GovernmentContributions)Bill)

REFORM PROPOSALS

REF	Proposed legislative and regulatory amendments and comment.
21	Amend the Police Act 1997 (Criminal Records) (Disclosure) (Amendment) Regulations (Northern Ireland) 2010 (as amended) to include credit unions within the definition of non-profit organisation ⁵ .
22	Under Article 6 of the 1985 Order, credit unions obliged to utilise "Limited". Amend this requirement to allow utilisation of "Ltd" or just the credit union name.
23	Fees -The 1985 Order should be amended to clarify and explicitly confirm that credit unions can charge membership fees
24	Article 28 provides that interest on loans is inclusive of all administration and other expenses incurred in connection with the making of the loan. It would be useful clarifying this provision to ensure that credit unions can pass on, to the member, the charges/fees incurred in recovering that loan. As such advocate for removal of "and such interest shall be inclusive of all administrative and other expenses incurred in connection with the making of the loan"
25	A number of definitions in Article 2 of the 1985 Order appear outdated and could be more appropriately defined. For example, definition of member of the family, definition of officer, definition of spouse.
26	Article 32 of the 1985 Order; the provisions dealing with the holding of land should be reviewed to ensure that credit unions are permitted to hold land where the entirety of the property may not be used exclusively for credit union business (for example the credit union may lease/rent part of the building which is not needed for credit union business).
27	Article 55(2) (b) of the 1985 Order allows for inspection by members of the credit union register of members and officers. Consideration should be given as to whether it is appropriate that all members can see the addresses of all other members/officers of the credit union from a data protection perspective.
28	Article 64 of the 1985 Order - amalgamations and transfers - consideration should be given to ascertain if the process is appropriate and efficient or if it could be streamlined in some way
29	Electronic Communications: for the avoidance of doubt, it may be appropriate to consider a statutory provision which would expressly allow a credit union to communicate with members (e.g., AGM notice) by electronic means
30	Tax on Dividend; review of application of tax on dividends from a credit union.
31	Minor accounts-Consider increasing age of minor accounts from 16 to 18 Once a minor becomes 16 and they are no longer in the common bond, they can apply to become a member based on minor membership.
32	The common bond of the transferee credit union is currently not taken by the FCA to include the common bond of the transferor. Suggested amendment to include the common bond of the transferring credit union. Therefore, insert new provision under Article 66 (6) of the 1985 Order: "Where the engagements of a credit union (in this subsection referred to as the 'transferor credit union') are transferred to another credit union (in this subsection referred to as the 'transferee credit union'), the common bond of the transferee credit union is taken to include the common bond of the transferor credit union and the rules of the transferee credit union are amended accordingly, on and from the date on which the transfer takes effect in accordance with this section."

⁵Non-profit organisation or person" means an organisation or person which does not distribute its surplus funds to owners or shareholders;

Social Impact

COOPERATIVE VALUES

The genesis of credit unions across Northern Ireland came about through local communities forming co-operatives to provide their members with access to credit.

They subscribe to co-operative values and principles, meaning they are committed to financial education for community.

They are democratically owned and governed, meaning their whole focus is on benefiting their members and their members' communities.

ACCESS TO AFFORDABLE CREDIT

Credit unions maintain a keen awareness of social and economic challenges facing their members and communities.

First and foremost, credit unions promote financial inclusion by providing an alternative to high cost, payday, and illegal lenders.

By offering affordable financial services, credit unions empower individuals to build a stable financial foundation. This, in turn, reduces reliance on predatory lenders high cost and payday loans, helping to break the cycle of poverty and debt in underserved communities.

Many high-cost lenders charge interest rates of 1000% APR and above. However, at credit unions we offer fair, affordable loans which are capped at law at 12.68% per annum.

INDIVIDUAL AND COMMUNITY RESILIENCE

However, they also

- Support local innovation; and
- Are active donors to local charities and community organisations, while funding education and scholarship programs for students.

Credit unions therefore play a crucial role in enhancing the social fabric of their communities throughout Northern Ireland.

We also create employment opportunities throughout Northern Ireland to approximately 800 people further stimulating local economies, contributing to tax revenue, and providing direct face to face member engagement with our members.

IMPROVED WELLBEING

Access to financial stability through credit unions helps wider society and the public sector such as health services as it can help reduce mental health stresses causing illness and absence from work.

Membership in a credit union has a positive impact on members' wellbeing, both physically and mentally. A study has recently shown that having savings of just £750 can help mental health stresses.

In summary, by promoting financial inclusion, providing financial education, supporting local economic development, and fostering a sense of community and responsibility, credit unions contribute to the overall well-being and resilience of their members and the broader community.

Their unique mission and member-centric approach make credit unions invaluable partners in building stronger, more financially secure, and more vibrant communities. That approach has remained stable over the last 65 years and in the times, we live in, that approach is more vital than ever.

We helped our members to save an average of

£630.24

in interest on an average loan amount of

£1,000

compared to a high-cost lender.

That same loan with a credit union would cost

£70.04

in interest (with a very high chance that an element of that would be returned via an interest rebate at the credit union's year end).

Across Northern Ireland, with nearly **50,000** loans under **£1,000** issued by ILCU credit unions in 2022, we estimate that lending with a credit union has saved up to

£30 MILLION

in interest for those members in 2022 alone¹.

¹Average interest rate of 111.47% across three online lenders in Northern Ireland as at 1 November 2023

All credit unions are guided by common operating principles, these have strongly influenced the core values of credit unions across Northern Ireland.

INTEGRITY, RESPECT AND TRUST:

we act in an honest manner treating all our members with courtesy, respect and concern for their dignity and needs.

LEADERSHIP:

We are insightful in the trends of our sectors. We communicate, innovate, share information and endeavour to offer creative solutions within regulatory boundaries.

SOCIAL RESPONSIBILITY:

We care about and consider ourselves part of our community. We strive to give back what we can. We champion a culture of diversity and environmental sustainability.

EMPATHY:

we see our members as individuals and also partners in our organisation. We listen, learn and work together to find solutions based on their individual needs.

EXCELLENCE:

We hold ourselves to the highest standards for the benefit of our members.



VOLUNTEERS ARE AT THE HEART OF CREDIT UNIONS.

The involvement of volunteers throughout the credit union sector is a key differentiator from other financial service providers bringing a positive impact to both the credit unions and to the volunteers themselves.

Our volunteers give approximately 105,000 hours² of their time every year at no charge working for the betterment of credit unions across Northern Ireland. Due to the nature of these meetings, they can vary in length, but this is a conservative estimate of the hours carried out by volunteers.

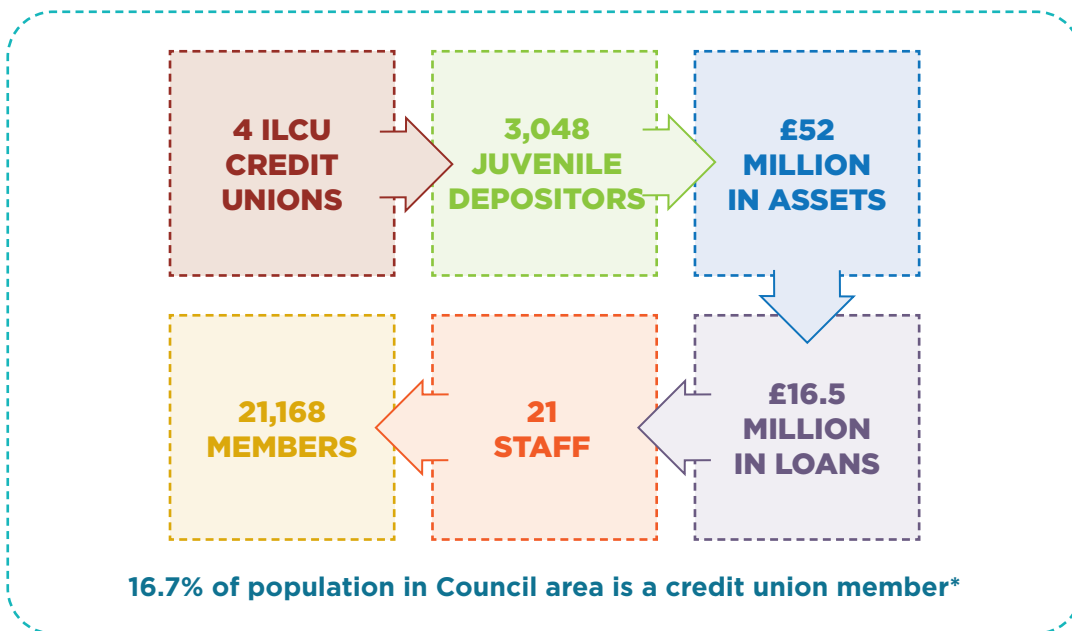
This equates to nearly 15,000 working days that credit union volunteers give to the running of their credit union across Northern Ireland every year.

²This has been calculated using the average time that meetings take and the number of meetings in a year. The time spent reading and preparing for meetings has not been included. Thus, the figure provided is an estimation of volunteer's time provided to credit unions.

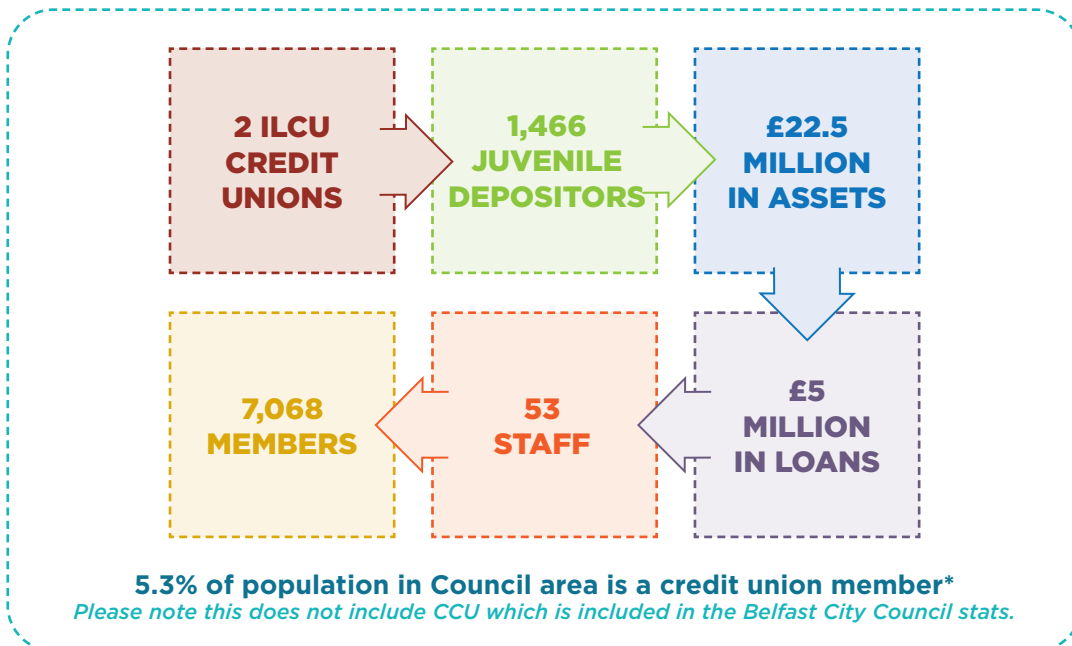
Appendix

ILCU credit union statistics by council area

ANTRIM AND NEWTOWNABBEY BOROUGH COUNCIL AREA

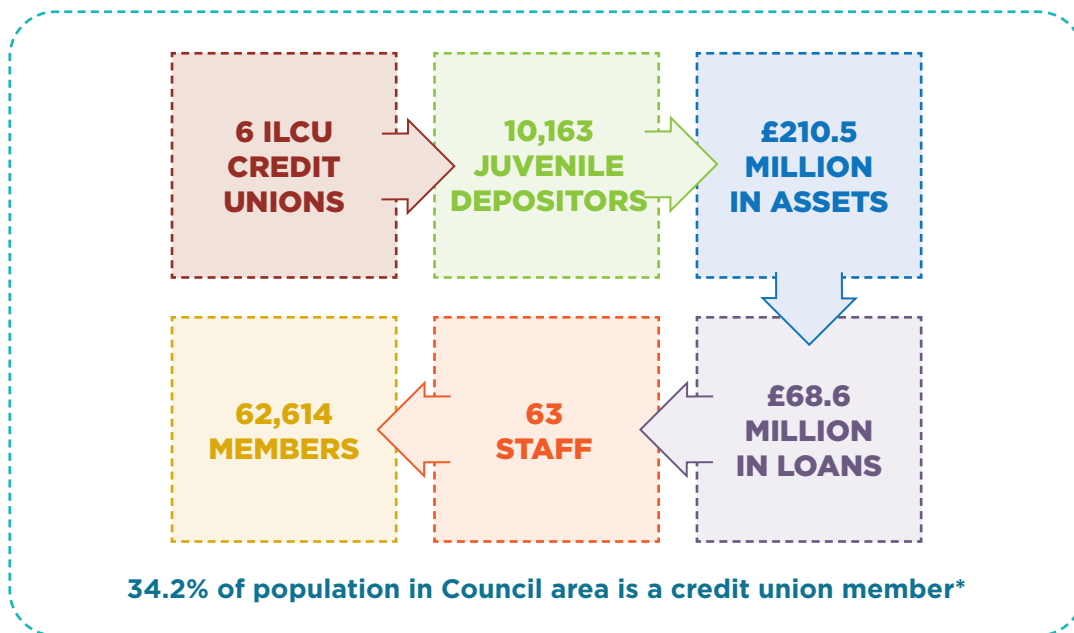


ARDS AND NORTH DOWN BOROUGH COUNCIL

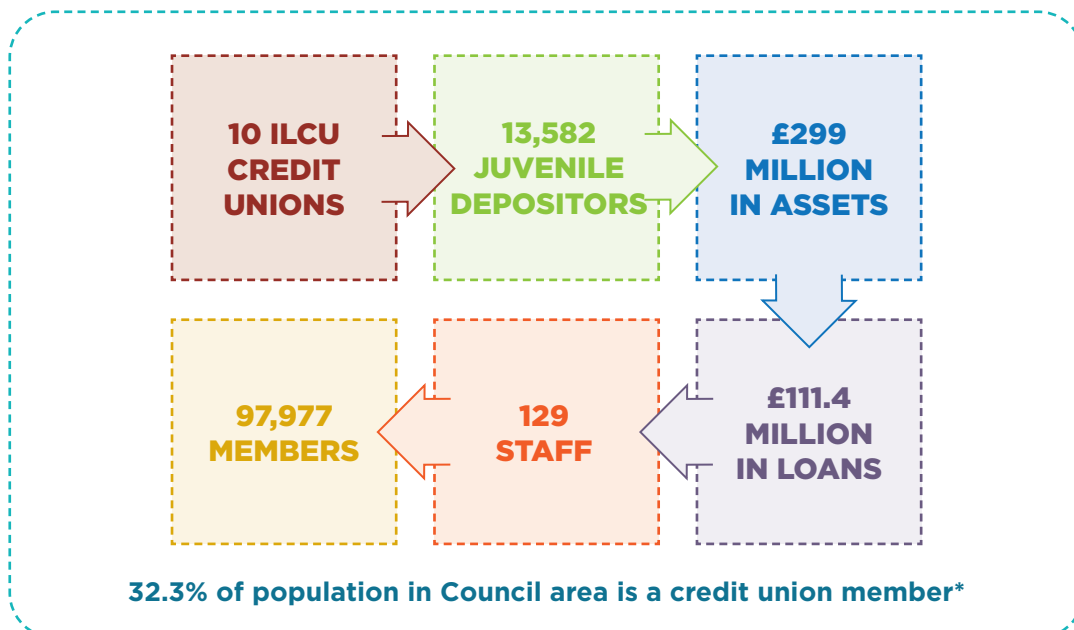


ILCU credit union statistics by council area

ARMAGH CITY, BANBRIDGE AND CRAIGAVON BOROUGH COUNCIL AREA



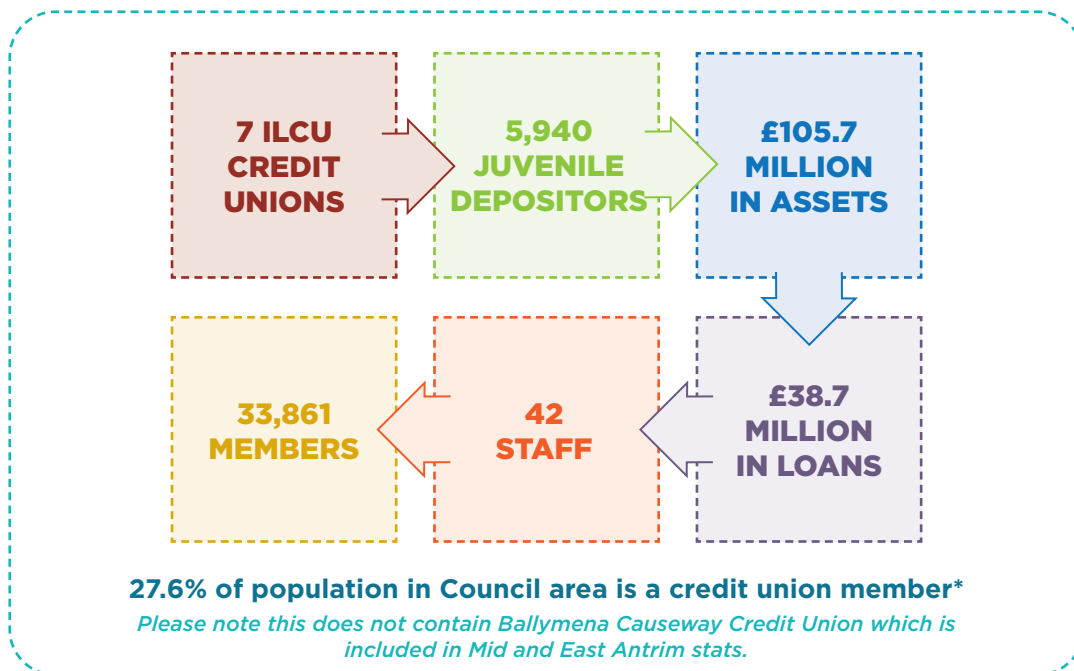
BELFAST CITY COUNCIL AREA



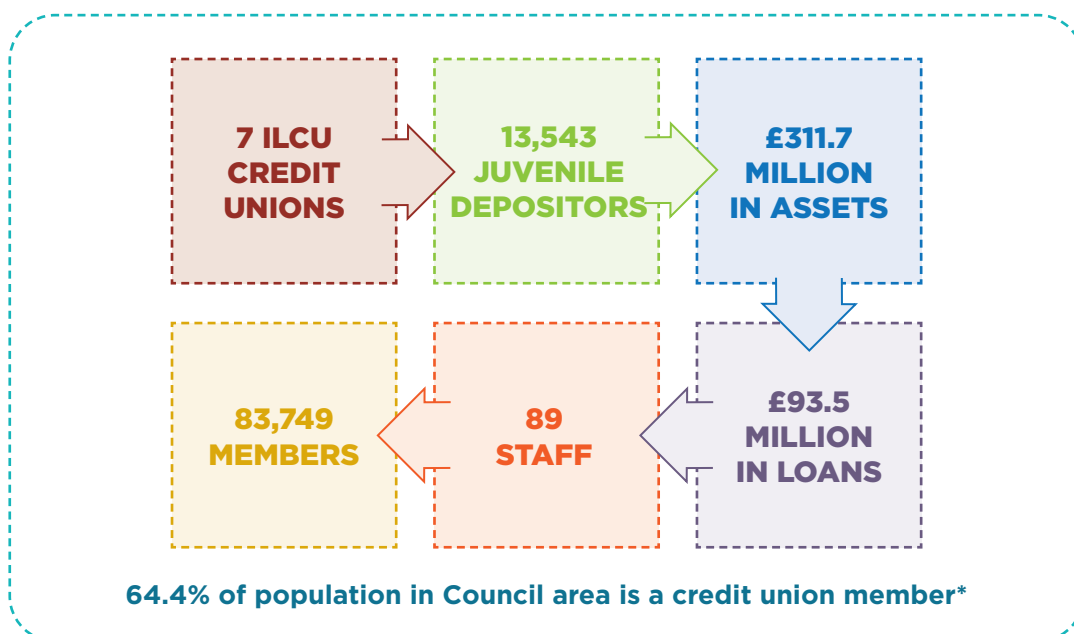
*ILCU Credit unions at June 2023

ILCU credit union statistics by council area

CAUSEWAY COAST AND GLENS BOROUGH COUNCIL AREA

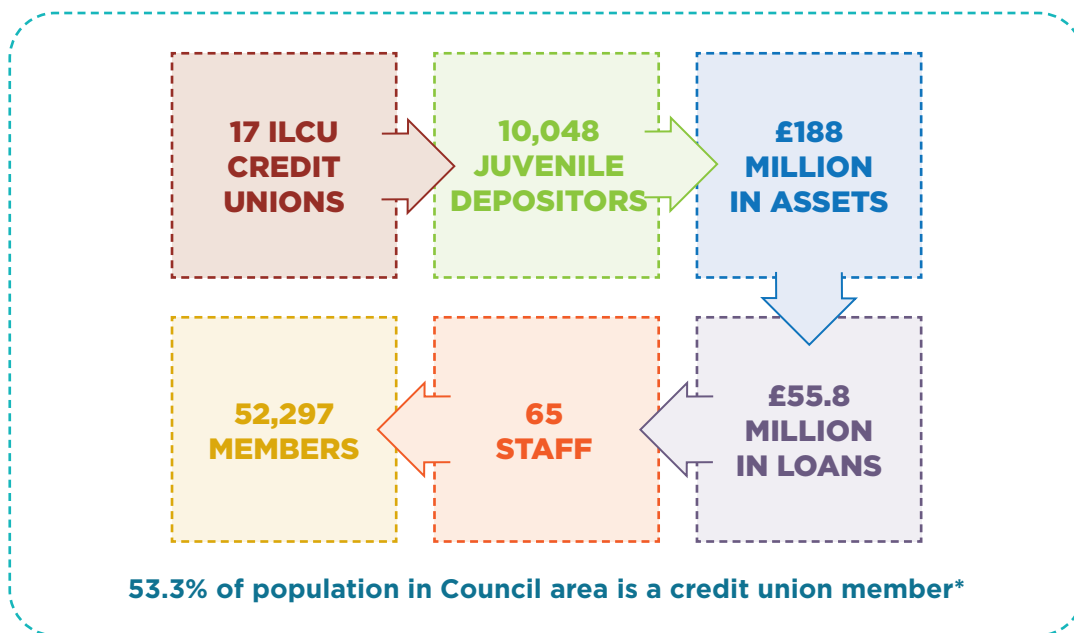


DERRY CITY AND STRABANE DISTRICT COUNCIL AREA

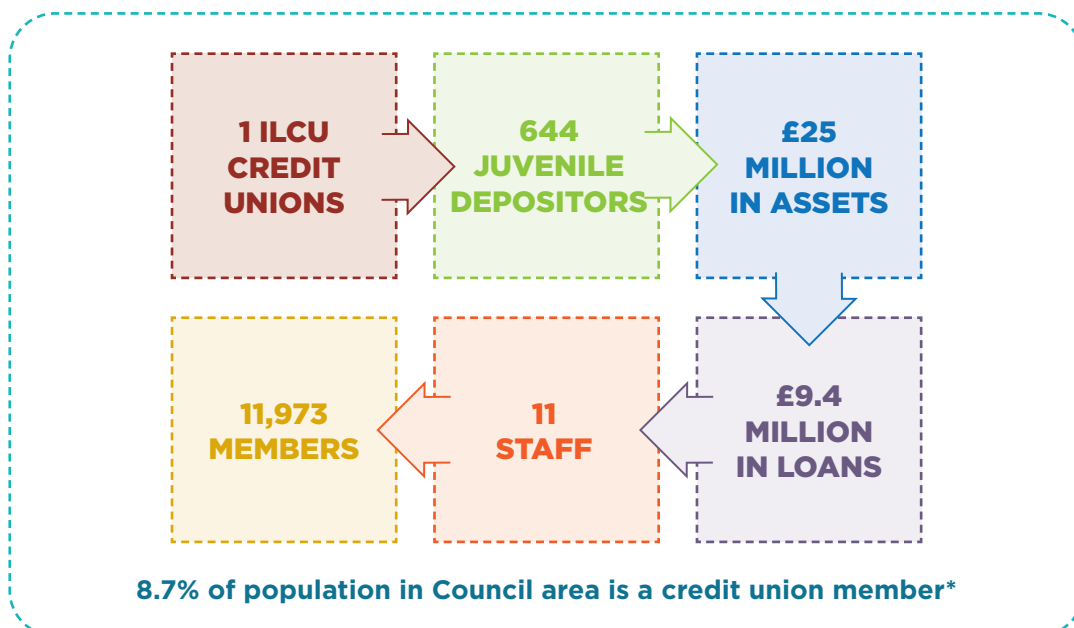


ILCU credit union statistics by council area

FERMANAGH AND OMAGH DISTRICT COUNCIL AREA

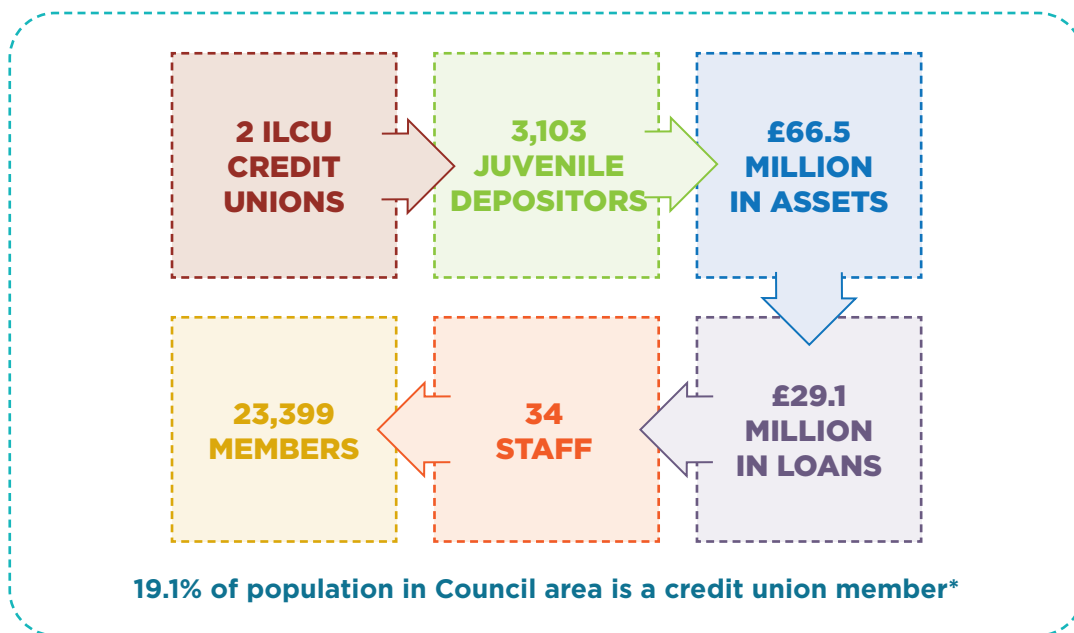


LISBURN AND CASTLEREAGH CITY COUNCIL AREA

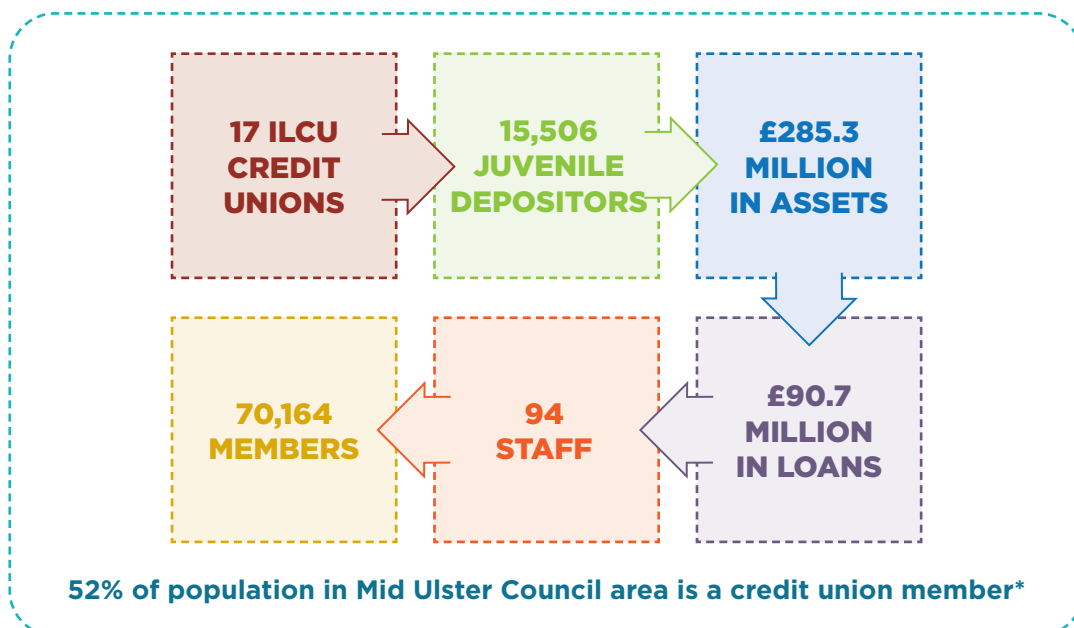


ILCU credit union statistics by council area

MID AND EAST ANTRIM BOROUGH COUNCIL AREA

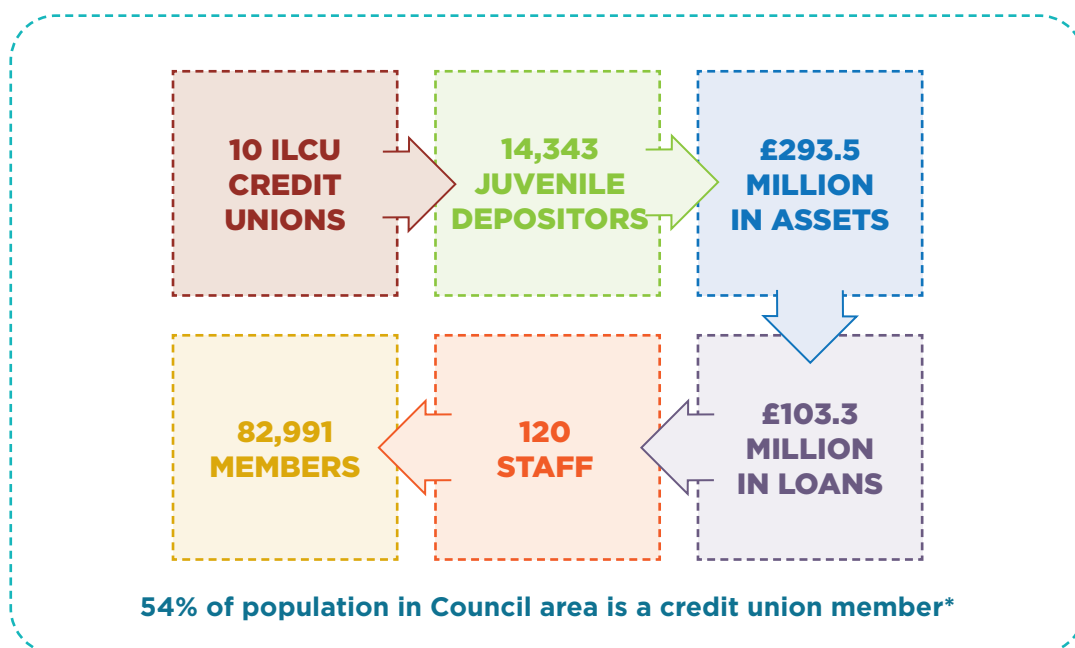


MID ULSTER COUNCIL AREA



ILCU credit union statistics by council area

NEWRY, MOURNE AND DOWN DISTRICT COUNCIL AREA



*ILCU Credit unions at June 2023





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