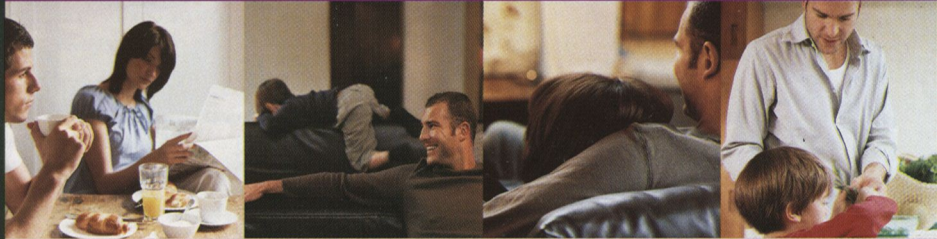




ABCUL
Credit
Unions

Safe Saving with your Credit Union

The ethical savings choice



Whether you are saving up for retirement, a major event such as a wedding or for your child's university education, the choices for savings products are varied.

Credit unions offer savings accounts to meet your needs and your money is as safe as in any bank or building society.

There are many advantages to saving with a credit union:

- *Flexible savings to suit your needs - you can save as much or as little as you like.*
- *Free life savings insurance - if you die, your family may receive as much as twice your savings. Ask your credit union for details.*
- *Safe saving is easy - you can pay into your account locally at branches or collection points.*
- *Some credit unions offer budget accounts to help you pay your utility bills.*
- *In some credit unions you can also save by standing order, direct debit, via payroll or transfer of benefits. Many credit unions also have Paypoint facilities.*

Credit unions are financial co-operatives owned and controlled by their members. They offer savings products and affordable loans as well as being local and ethical. Credit Unions are regulated by the Financial Services Authority and savings are protected by the Financial Services Compensation Scheme.

**Talk to your credit union about
the savings options on offer**



Why your savings are safe

- Credit Unions are regulated by the Financial Services Authority (FSA) in the same way as banks, building societies and financial services businesses. For more information about the Financial Services Authority go to www.fsa.gov.uk.
- Savings are protected by the Financial Services Compensation Scheme (FSCS) which provides a safety net if a bank, building society or credit union should collapse. For more information go to www.fscs.org.uk.
- The law requires that all credit unions maintain a Fidelity Bond insurance to protect the credit union against fraud or theft.
- All credit union financial systems and final accounts must be externally audited each year.
- A group of members within the credit union are elected to the 'Supervisory Committee'. This is the group that checks the credit union is running properly and taking care of members' money.



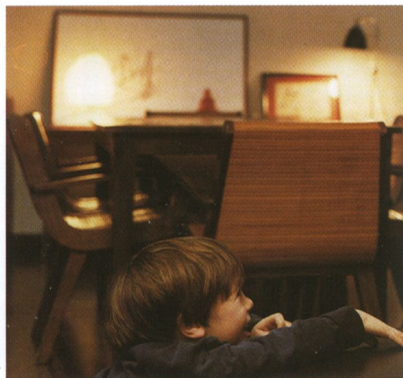
Some of the other products on offer from many credit unions

Affordable Loans

Credit unions offer loans for all types of purposes at an affordable interest rate.

- The interest rate is fixed so your repayments always remain the same.
- Interest is charged only on the reducing balance left to be repaid each month, not on the total amount borrowed.
- There are no arrangement fees or set up fees.
- There are no charges if you want to pay off the loan early.

First Savers



Many credit unions offer savings accounts for children and young people.

Children are encouraged to start saving at a very early age and continue the savings habit into adulthood. Many credit unions work with schools to allow children to deposit and withdraw savings as part of school life.

Each year first savers accounts earn interest and some credit unions offer other incentives to save.

Insurance Products

Many credit unions offer access to affordable house, car and life cover as well as Funeral Plans.

Benefits Direct

You can have your benefits paid directly to the credit union and withdraw the funds as you need them.

Bill Paying Accounts

You can arrange with some credit unions to have your utility bills paid directly from your savings account.

Child Trust Funds

Some credit unions take Child Trust Fund Vouchers issued by the government for children born since September 2002. These vouchers are then deposited with a registered provider until the child reaches the age of 18.

Other services which may be offered by your credit union:

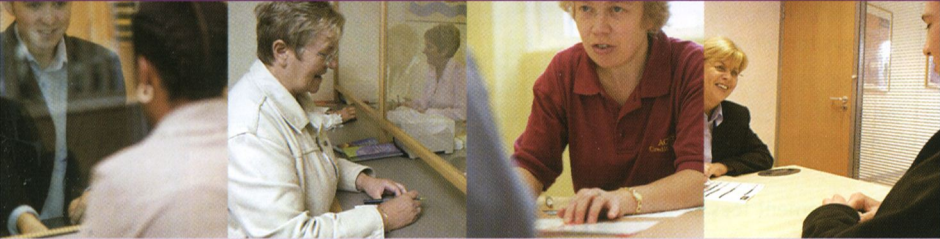
Basic Bank Accounts

Long Term Deposit Accounts

Individual Savings Accounts (ISAs)

Check with your local credit union to see if it offers any of these services.

Why credit union savings are ethical



- Credit unions are co-operatives run for members by members.
- Any profits made by the credit union may be returned to the members in the form of a dividend on savings and/or reinvested into the credit union. This means that any profits made stay in the community and do not go to investors outside of your community.
- Credit unions use these savings to provide affordable credit to its members.
- One of the requirements of the Credit Union Act 1979 is that credit unions educate their members on the wise use of money and promote responsible savings and lending.

Where to go for information

Association of British Credit Unions Ltd - 0161 832 3694 www.abcul.coop

The main trade body for credit unions giving information about how to find your credit union, how credit unions work and how to set up a credit union.

Financial Services Authority - 0845 606 1234 www.fsa.gov.uk

The body that regulates the financial services industry in the UK including banks, building societies and credit unions.

World Council of Credit Unions - www.woccu.org

The world umbrella body for credit unions.



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