

Cross-Party Group on Credit Unions

Minutes of the meeting held Tuesday 5 December
Committee Room 4, Scottish Parliament

Present

Ruth Maguire MSP (Convener)	Scottish Parliament
Claudia Beamish MSP (Deputy Convener)	Scottish Parliament
Johann Lamont MSP	Scottish Parliament
Ashley Douglas	Scottish Parliament
Nancy MacGillivray	West Lothian Credit Union
Kenneth Pentland	Scottish Government
Andrew Burke	Scottish Government
Jane Moffat	Scottish Government
Karen Hurst	Association of British Credit Unions Ltd
Matt Bland	Association of British Credit Unions Ltd
Eric Bennett	Sovereign Credit Union
Roger Marsh	Prudential Regulation Authority
Chris Donald	Prudential Regulation Authority
Dr Robbie Mochrie	1st Universities Credit Union
Kenny MacLeod	Scotwest Credit Union
Alison Dowling	Swarm
Gary Collins	Swarm
Robert Gould	CUNA Mutual
Chinyere Adeniyi-Alade	Grampian Credit Union
Dermot O'Neill	Scottish League of Credit Unions
Norman Crawford	Lets Build Credit Unions
Sharon MacPherson	Scotcash
Charlie Meehan	Dalmuir Credit Union
Maria Paterson	Baillieston Credit Union
Scott Doyle	Commsave Credit Union
Diane Dunn	Renfrewshire Council
Trisha Butler	Drumchapel Credit Union
Greg Mayhew	Drumchapel Credit Union
Sofia Dogan	Fife Voluntary Action
Jane Randall	Perth & Kinross Credit Union
Mary Connelly	Perth & Kinross Credit Union
Simon Thexton	Dignity
Ruth Mendel	Citizens Advice Scotland
Hillary Musarurwa	Heriot Watt University
Rose Mavin	Wishaw Credit Union
Kimberley Palmer	
Karen Hunter	Church of Scotland
Craig Mason	Financial Conduct Authority
Gordon Ferguson	Financial Conduct Authority
Richard Dennis	Accountant in Bankruptcy
Vincent Mitchell	Discovery Credit Union
Paul Morris	Glasgow City Council
Mohammed Ali	Muslim Council of Scotland
Beth Welsh	Pioneer Mutual Credit Union

Apologies

Gordon Buchanan, Castle Community Bank
Euan Johnston, Glasgow Credit Union
Robert Kelly, NHS Credit Union
Chris Tait, Islamic Finance Council
Angus MacDonald MSP
Archie Ferguson, Glasgow Credit Union
Jim Garrity, Pollok Credit Union

Introduction

Ruth Maguire MSP, Convener, welcomed the group to the meeting, in particular her colleagues Claudia Beamish MSP and Johann Lamont MSP. She noted apologies that events in Parliament had caused the last meeting to be cancelled, and that she would be changing the start time of future meetings to avoid this happening again. She gave an update on the AGM of the CPG, which had taken place since the last full meeting. The officers had been re-elected.

Speakers

Kenny Pentland spoke on behalf of the Scottish Government, giving an update on previous commitments, and also new commitments were made in the recent Programme for Government. This included:

- An update on the money invested in school engagement workers. The scheme is on course to exceed targets set on new schools signed up.
- A toolkit is being designed to assist credit unions that did not participate in the scheme.
- The Scottish Government is keen to work with the sector on a promotional campaign, has resources, and is keen to discuss what the key messages of that should be, and what evidence exist on other campaigns.
- Marketing campaigns tend to be successful when there is a 'nudge' element.
- Keen for feedback on the focal point of a campaign, and the methods used.

Andrew Burke gave an update on the funeral costs plan, including those commitments that involve credit unions. A pilot will be delivered with selected credit unions by 2010 on a savings scheme. The Scottish Government is working with the credit union trade bodies on this.

Discussion

After the speakers there was a discussion about these topics. The points covered included:

- After some question on the matter, Kenny Pentland confirmed that a campaign would happen within the next financial year, and that it would be well resourced.
- It was noted that there had been a recent credit union campaign in Northern Ireland around a 'Find Dave' theme, of which the key messages had been local, accessible, low cost credit.
- We also need to consider those people not online, but who need access to credit.
- It is a challenge to find a message that will work for whole sector, and recognize differences.
- We need to recognize the capacity in the sector, and be aware of the consequences of quick growth.
- Those between the ages of 35-55 is a 'sweet spot' of membership, as this is when people are in employment and financial active.
- Those leaving university also have particular financial needs that need to be considered.
- It was noted that some credit unions had commissioned their own advertising, and seen a initial boost in membership, but were not yet able to track the long term impact.

- The AiB would be happy to share any evidence they have from their '12 Days of Debtmas' campaign.
- There was a lot of discussion about whether a campaign should focus on lending or savings, with differing views on the matter.
- The importance of 'nudge', and changing people's behaviour was noted.
- A representative of ABCUL outlined the anecdotal evidence they received from the recent BBC series 'A Matter of Life and Debt', which featured credit unions – the Find Your Credit Union website had a ten fold increase in hits as a result. It would be ABCUL's preference to focus on loans, but with a long term view to transform borrowers into savers.
- It was noted that low awareness was biggest obstacle to growth, and that many more people could be making use of credit unions to pay for white goods, rather than high cost lenders.
- One attendee noted that credit unions need to understand those who are using short term high cost lenders, as they often do so because of convenience even where they are aware of the APR.
- The Fairbanking Foundation report, which highlighted the important role credit unions play in turning borrowers into savers, was noted as being an important document for the sector.
- It was noted that the sector should be mindful that it can't be all things to all people.

The meeting was brought to a close. Kenny Pentland, representing the Scottish Government, noted his thanks to those who contributed, and that this would be helpful in moving forward.

The convener thanked all who attended. The secretariat will circulate dates for future meetings.