



1991-2021



COMMSAVE

CELEBRATING 30 YEARS

Our Mission

Commsave exists to provide excellent service for members, with products tailor made for their needs.

Our Values

Our values are to meet our mission by providing our service in a friendly, ethical, and professional way.

Our Promises

At Commsave, treating customers fairly will be at the heart of how we operate and all staff and volunteers must have our members at the centre of everything we do. Our six key promises ensure that you are treated fairly at every stage of your dealings with us, now and in the future.



Fair Treatment

You can be confident that when dealing with Commsave, your fair treatment is central to our culture.



Good Value

Our priority is to provide our members with good value products and services.



Meeting Your Needs

The products and services offered by Commsave are designed to meet the needs of our members.



Keeping Quality High

We will treat members fairly and deliver high quality products and services throughout your relationship with us.



Fully Informed

Commsave will provide you with clear information and will keep you informed throughout your dealings with us.



Easy to Understand

You can expect that all services provided by us will be as described within our policies and literature.

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Message from our Chairman



Kundai Kafamba

I am delighted to be writing these words on the occasion of Commsave's 30th anniversary.

It has been my privilege to have served as a director of Commsave since 2017 and as Chairman since 2019.

Commsave has come a long way in its 30-year history. Originally developed as a small workplace Credit Union for staff of Royal Mail in Northampton, we are now one of the largest credit unions in the whole of the United Kingdom, serving well over 30,000 members from various sectors, and with more than £100 million in assets.

I would like to express my thanks to all of the people who have served as directors of Commsave throughout our history, as well as everyone who has given their time to help in countless other capacities. Without their selfless dedication and the countless hours they have volunteered to support the organisation, we simply wouldn't have been able to achieve all that we have.

I would also like to thank the staff who have worked so hard to provide services to our members down the years.

It is those members who drive all that we do as a Credit Union. Wherever in the country you are; whatever your background; and whoever you work for, we are here to serve you. It is a responsibility we take seriously, ensuring not only that we provide you with the services you need today, but also making sure that Commsave will be here long into the future.

Thank you all for your support.

“Wherever in the country you are; whatever your background; and whoever you work for, we are here to serve you. It is a responsibility we take seriously.”

Message from our Chief Executive



Amanda Ivey

Celebrating our 30th anniversary has given me the opportunity to look back and reflect on some of the changes and improvements that I've seen over the past 16 years.

I began my career with Commsave in 2005, and the organisation was quite different to that which we have today.

With around 2,500 members, and just two members of staff, we really had to be able to turn our hand to anything and everything, from managing compliance with regulators, preparing financial accounts, to taking calls from members and processing share withdrawals and loan applications. I've even been known to fix broken door handles and tackle small plumbing repairs! Being on the route back to the mail centre, local posties often popped in, to discuss their savings, and test out my tea making skills!

Despite the significant changes to the size and scale of the Credit Union, and my role within it, I am still inspired by the ethical values of the co-operative model, and so proud of our commitment to ensuring that serving our members remains at the heart of everything that we do.

Simply put, when working at Commsave we are "people helping people", and I look forward to continuing to help more people to access an easy way to save and a better, more affordable way to borrow in the future.

"I am still inspired by the ethical values of the co-operative model, and so proud of our commitment to ensuring that serving our members remains at the heart of everything that we do."



A Message from the ABCUL CEO



Robert Kelly, Chief Executive Officer

On behalf of our board and staff team at the Association of British Credit Unions Ltd (ABCUL) I want to offer my huge congratulations to Commsave Credit Union on reaching such a key milestone of your 30th anniversary.

The last 30 years have seen Commsave Credit Union grow from its original Royal Mail staff field of membership to becoming one of the largest credit unions in the whole of the UK. That growth trajectory has been built on such a strong ethos and value proposition, a tremendous dedication to members, a desire to innovate around products, services and field of membership and a desire to educate and provide financial resilience for its thousands of members.

Further success and growth will undoubtedly come in the next number of years and I am very proud to have Commsave Credit Union as an integral member of ABCUL as they help drive the overall credit union sector forward.

Well done to our friends and colleagues and here's to the next 30 years.

“I am very proud to have Commsave Credit Union as an integral member of ABCUL as they help drive the overall credit union sector forward.”

Messages from Our Members

It has been a lifesaver at times. Once a year I get a lovely bonus, Commsave pays me far more than any bank or building society could! Many thanks Commsave!

RITA

Congratulations and it's one of the best things I've ever done saving with you.

DAVE

It's a great way of saving for a rainy day without even noticing it come out of your pay packet!

ADE

I remember being one of the first to join. I'm from a small rural office in the LN postcode – still in the same office – a workplace rep and apart from two all the staff are members. Excellent service all round. Congratulations and well done on reaching this landmark.

IAN

I remember being 'recruited' as a member by Derek Jackson and then 'persuaded' to become a director by Richard Munro many years ago when I rocked up at Barrack Road as a Delivery Sector Ops Mgr. Happy memories!

SU

I joined as an easy way to save – very simple joining process. Love the credit union.

AMANDA

I'm a civil servant who joined Commsave a while back. You feel like it's a savings organisation that genuinely cares for its members.

JOCELYN

Well done Commsave - helped me save and also buy a car. I've recommended you to lots of colleagues some who had payday loans and were getting deeper into trouble.

HILS

I'm one of the old Harvest Money members. Very pleased with Commsave's great services and dedication to helping members manage money.

LYNNE

Money comes out of wages before it gets to you, so you can save a regular amount without missing it.

JO

I joined you when you first started at Barrack Road. Remember going to see Harry in his tiny little office to collect a cheque.

JOE

Origins

The origins of Commsave stem from the former Northampton Mail Centre on the town's Barrack Road, as a result of a collaboration between local management and representatives from the Communication Workers Union (CWU).

A working group was formed to investigate ways for staff to save each week and have safe access to small loans, all with proper oversight and governance of the funds.

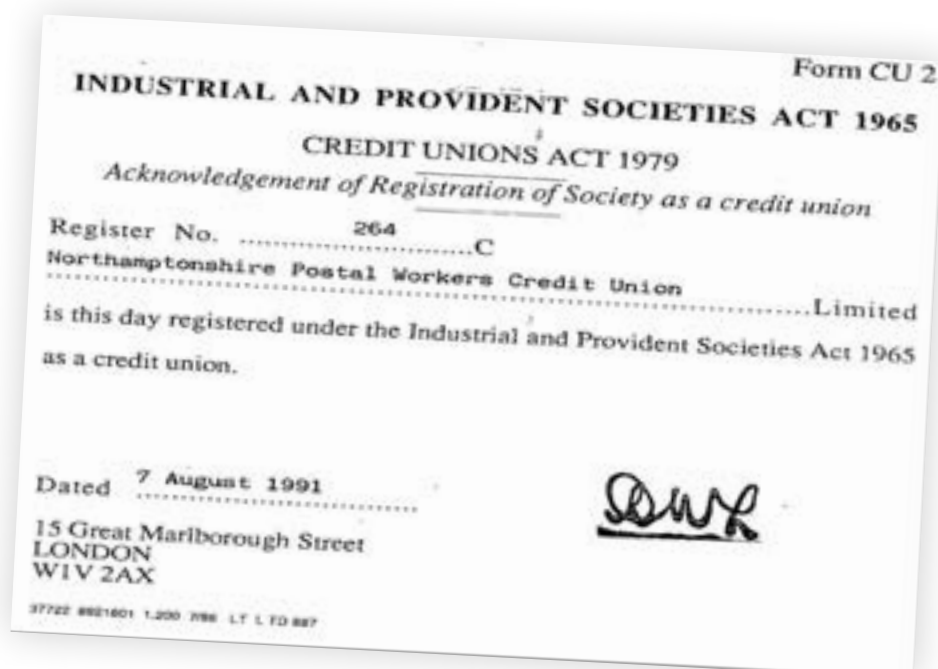
Credit unions had first been established in the United Kingdom in the 1960s, with the early organisations often being set up by people who had arrived in the country from Ireland and the Caribbean, where credit unions were already popular.

The Credit Union Act of 1979 meant that credit unions were regulated for the first time, requiring all existing and new organisations to be authorised by the Registry of Friendly Societies.

The Registry was responsible for checking the suitability of a credit union's common bond and rulebook, with each credit union required to submit regular financial returns.

Following the Act, the number of credit unions in the country increased substantially. The Barrack Road working group also identified the credit union solution as being a good fit for local staff, enabling postal workers – who were weekly paid in cash – to save somewhere safe, with access to low-cost loans when needed.

Originally open to employees of Royal Mail in the NN postcode area, this was the start of what we know today as Commsave!



Commsave's original registration certificate.

The Original Rules

Credit unions in the UK were originally formed under the Industrial and Provident Societies Act 1965, along with Friendly Societies, Clubs and other Mutuals, with the Credit Union Act being passed in 1979. This legislation was updated by the Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 2011.

Under the rules, each credit union must have a common bond, which defines those people who are eligible to join.

This was how the original rulebook of Northamptonshire Postal Workers Credit Union defined who could become members, as well as the purpose of the new organisation.

A permanent employee at Royal Mail Northamptonshire (or its successors) from whom the employer has agreed to deduct at source share contributions and loan repayments by authorised payroll deduction.

The objects of the credit union shall be:

- (a) the promotion of thrift among its members by the accumulation of their savings;
- (b) the creation of sources of credit for the benefit of its members at a fair and reasonable rate of interest;
- (c) the use and control of members' savings for their mutual benefit;
- (d) the training and education of members in the wise use of money and in the management of their finances



Derek Jackson

One of the most influential people in the development of Commsave down the years was Derek Jackson, our former Chairman, and long-term director.

Derek sadly passed away in August 2020, after almost 30 years of service to the Credit Union, having been a member of the steering committee that founded Northamptonshire Postal Workers Credit Union in 1991. Derek became Commsave's first Chairman when the Credit Union received the necessary authorisation from the Registry of Friendly Societies. Derek also spent a period as secretary of Commsave, as well as serving on our Audit & Risk Sub-Committee.

Derek's contribution to Commsave was of such significance that, following his passing, the board of directors took the decision to name our offices on Moulton Park, Northampton after him. The front of the building therefore now bears a plaque carrying the name 'Derek Jackson House', while a framed document on display in the reception area explains Derek's importance to the development of Commsave. In addition, the board also arranged for a tree to be planted in Derek's memory, in a pocket park close to his home in Northampton.

The Founders of Commsave

The 21 people named below were the founders of the Credit Union, signing the original application form, and submitting this to the Registry of Friendly Societies, together with our first rulebook and an application fee of £180. Several of these people would serve on Commsave's board of directors and other committees, while others would volunteer to spread the word in their workplaces.

Derek Jackson - Distribution postal driver, Northampton Mail Centre and trade union representative.

John Hillyard - Mail Operation Administration Manager at Royal Mail Northampton.

Ronald Garlick - Postal worker at Northampton Mail Centre.

Raymond Jones - Operational Training Manager at Royal Mail Northampton.

Charles Wykes - Operational Planning Manager at Royal Mail Northampton, and Representative of the Managers trade union.

Barrie Boulton - Operational Manager at Northampton Mail Centre

Colin Peter Dobson - Postal worker at Northampton Mail Centre

Colin Ernest Borer - Postal worker at Northampton Mail Centre.

James O'Hara - Postal worker at Northampton Mail Centre

Simon Hugh Millward - Postal worker at Northampton Mail Centre

John Mitchell - Postal worker at Corby Delivery Office.

Paul (Stewart) Usher - Postal worker at Northampton Mail Centre

John Berrill - Finance Manager at Royal Mail Northampton.

Phillip Corn - Postal worker at Northampton Mail Centre.

Harry Johnson - Head of Technical Service at Royal Mail Northampton. Harry went on to be the first employee of the credit union, working from an office space provided by the Head Post-Master of Northampton Mail Centre.

Ray Foster - Processing postal worker at Northampton Mail Centre, and trade union representative.

Benadette McBride - Postal worker at Northampton Mail Centre

Ian Nigel Hamilton - Postal worker at Kettering Delivery Office

Garry Carter - Head of Finance at Royal Mail Northampton.

Thomas O' Reilly - Distribution postal worker at Northampton Mail Centre, and trade union representative.

Lee Barron - Delivery postal worker at Northampton Mail Centre, and trade union representative.

Early Years and Expansion

Royal Mail supported the early development of the Credit Union by providing an office based within the Northampton Mail Centre.

The volunteer directors squeezed in to the small office to process loan applications once a week. At this point, nearly every task – memberships, loan applications, and share withdrawals, was carried out manually. This meant members regularly having to wait several weeks for a loan application to be processed.

Royal Mail helped the fledgling Credit Union by seconding a member of their staff – Harry Johnson – to manage the administration. As with most small credit unions, Commsave was exclusively volunteer run in its earliest days, so having a person of Harry's experience to help was significant in providing greater capacity to serve members.

Richard Munro, now Secretary of Commsave, first joined the board in 1995, having been a member from the start. Richard remembers "I was approached by Derek Jackson, who was then the Chairman, to see if I'd be prepared to come on to the board to support in certain areas. One of my first jobs as a director was collecting loans. We had six cases of bad debt that the board asked me to look into. I didn't really have a clue what to do in terms of the legalities, so

I made several trips to the county court where the staff got used to seeing me because I was constantly asking for information! So that was a steep learning curve for me, but I became the in-house expert at recoveries, and out of those six people, five people did engage with me and start making repayments.

The board had to do a lot of things in the early years. When we sent out the newsletter – which in those days was a photocopied sheet – we used to stuff them by hand. The board would go in after work or during leave to stuff envelopes!"

As postal workers travelled to nearby Mail Centres, word spread about how the staff in Northampton were able to save and borrow each week straight from their pay. Due to interest from their colleagues in neighbouring counties, the common bond was extended on 22nd November 1996 to cover Royal Mail employees in the Coventry (CV), Derbyshire (DE), Leicester (LE) and Nottingham (NG) postcode areas.

To reflect the wider area, we changed our name to East Midlands Postal Workers Credit Union Limited.



Royal Mail's office on Barrack Road, Northampton – Commsave's first home!



Richard Munro – Secretary of Commsave

We Continued to Grow

Commsave grew fairly slowly, but profitably. Operational costs were kept low due to running from within a Royal Mail building, and members received a healthy dividend on their savings each year.

The board began to make plans to make our services more widely available, with the idea of serving employees right across the communications industry, and expanding to cover Royal Mail employees in other parts of the country. Reflecting these plans, members attending the Credit Union's Annual General Meeting in 2002 agreed the adoption of the name 'Commsave'.

An unexpected challenge hit in September 2003, when the Barrack Road Mail Centre was destroyed in a major fire, leaving the Credit Union without a home. This would lead

to Commsave's directors taking the decision to purchase the Credit Union's own offices at Duncan Close on Moulton Park, Northampton, in June 2004, from where the business still operates today. The office building is located on a business park just outside Northampton Town Centre. With the majority of services to members delivered via the contact centre at Duncan Close, and only a small number of locally-based members visiting the offices, there was no need to offer a full branch facility, ensuring Commsave continued to run efficiently.



Commsave's home on Duncan Close, Northampton

More Ways to Save

As our membership grew so did the range of products we were able to offer. To encourage members to save, a range of specific accounts were introduced in 2007, enabling members to categorise their funds to help budget and meet their savings goals.

Regular Savings

All our members are putting away regularly to save for specific purposes or a rainy day.

Holiday Savings

We all like to get away for a holiday, you can arrange to have a savings pot ready for all those holiday expenses.

Christmas Savings

An account especially created to build savings ready for Christmas - no withdrawals are permitted until 1st November each year.

Child Benefit Savings

Put aside your Child Benefit to pay for things like school uniforms, trips, or maybe even a helping hand towards college and university in the future.

Bill Payment Savings

Set aside weekly money for your monthly bills, helping you to budget, avoiding expensive bank overdraft fees and other charges.

Children's Savings

Helping your children develop a sensible attitude to savings and money handling skills is essential for their adult life.

In 2012, Commsave's range of accounts was extended further with the introduction of Blue Acorn Individual Savings Accounts, enabling members to benefit from a government tax free dividend arrangement.





Amanda Ivey and Richard Munro attending the launch of credit union services to DWP employees in 2016.

Becoming a National Credit Union

Our next common bond expansion came in 2006.

With our services becoming ever more popular, we started receiving enquiries from outside of the East Midlands and therefore expanded our common bond to cover the East of England. This was soon followed by a further expansion, in early 2008, so that we could offer membership to any Royal Mail Group employee working in England. Then in 2011, our common bond was amended once more to encompass the whole of the United Kingdom.

By 2015, various communications companies had also been added to the common bond. These changes were the result of discussions within Commsave's board of directors, who had been aware for some time of the risks of serving a single employer, and therefore welcomed the opportunity to partner with different companies.

In 2016, a major new development enabled employees of the Department for Work and Pensions to become members of Commsave, with their staff able to benefit from the ease and convenience of saving through payroll deductions, just like their counterparts in Royal Mail.

To demonstrate their support for the benefits of payroll saving, the Department of Work and Pensions (DWP) had tendered the opportunity to provide payroll deductions to their 85,000 employees nationwide. We believed with the DWP having already made the decision to offer the facility we had the necessary infrastructure and skills to serve the additional potential members, wherever in the UK they were based. Approximately 15 credit unions submitted a bid to offer the payroll facility, with Commsave being successful, along with two other credit unions.

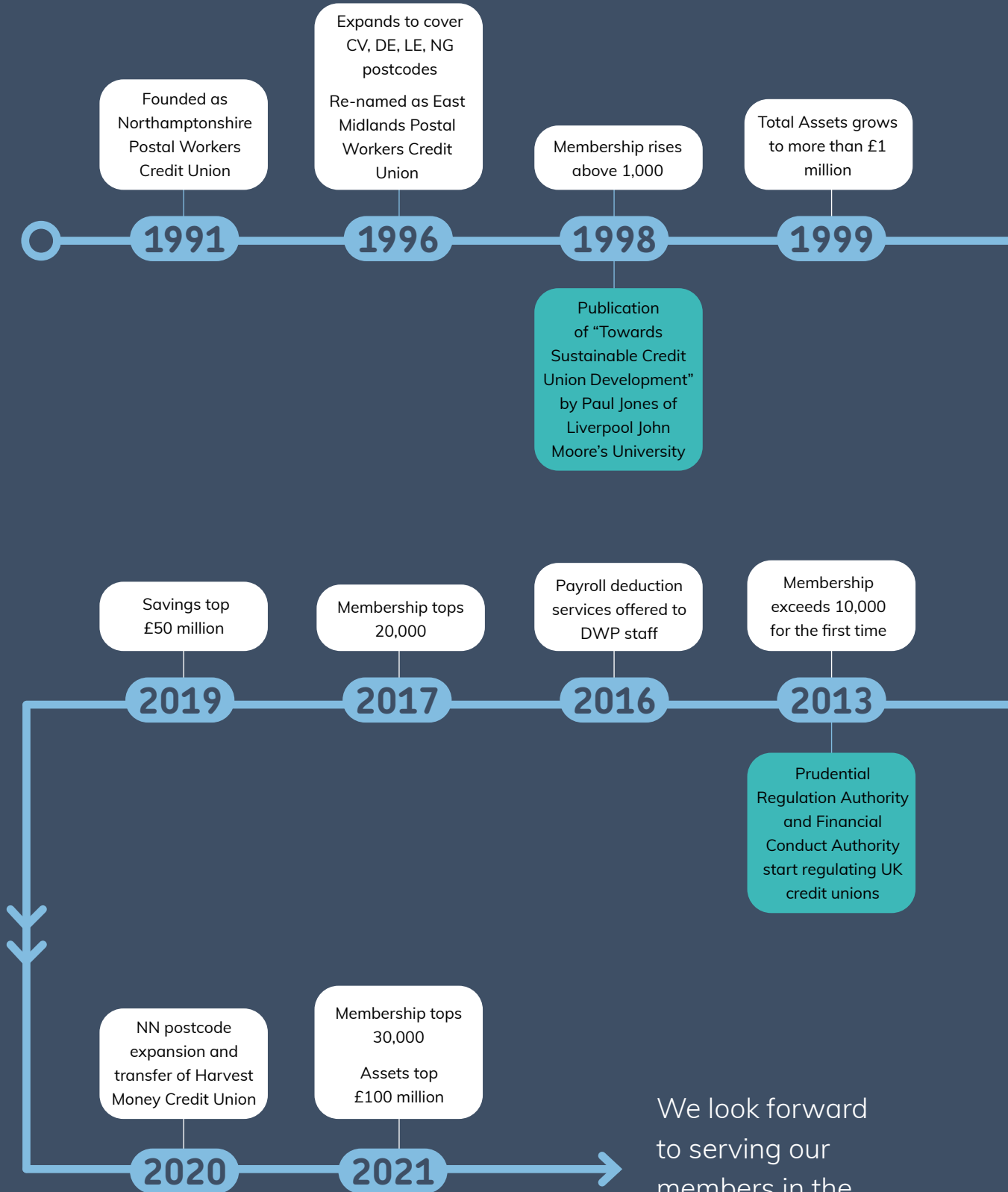
With an eye on future opportunities, and in line with our strategy to reduce our membership concentration risk, our common bond change included all Government Departments and Associated Agencies. This allows us to recruit civil servants throughout the UK, whichever Department they work for, and will enable us to respond quickly to any other Departments wishing in the future to follow the example of the DWP.



Attending events such as 'Civil Service Live', which brings together civil servants across the UK, we have made several key contacts with the various government departments and agencies, and continue to recruit members from these employers. We plan to continue to pursue securing payroll deduction facilities, as the most efficient method of offering our services to them.

Commsave Timeline

1991-2021



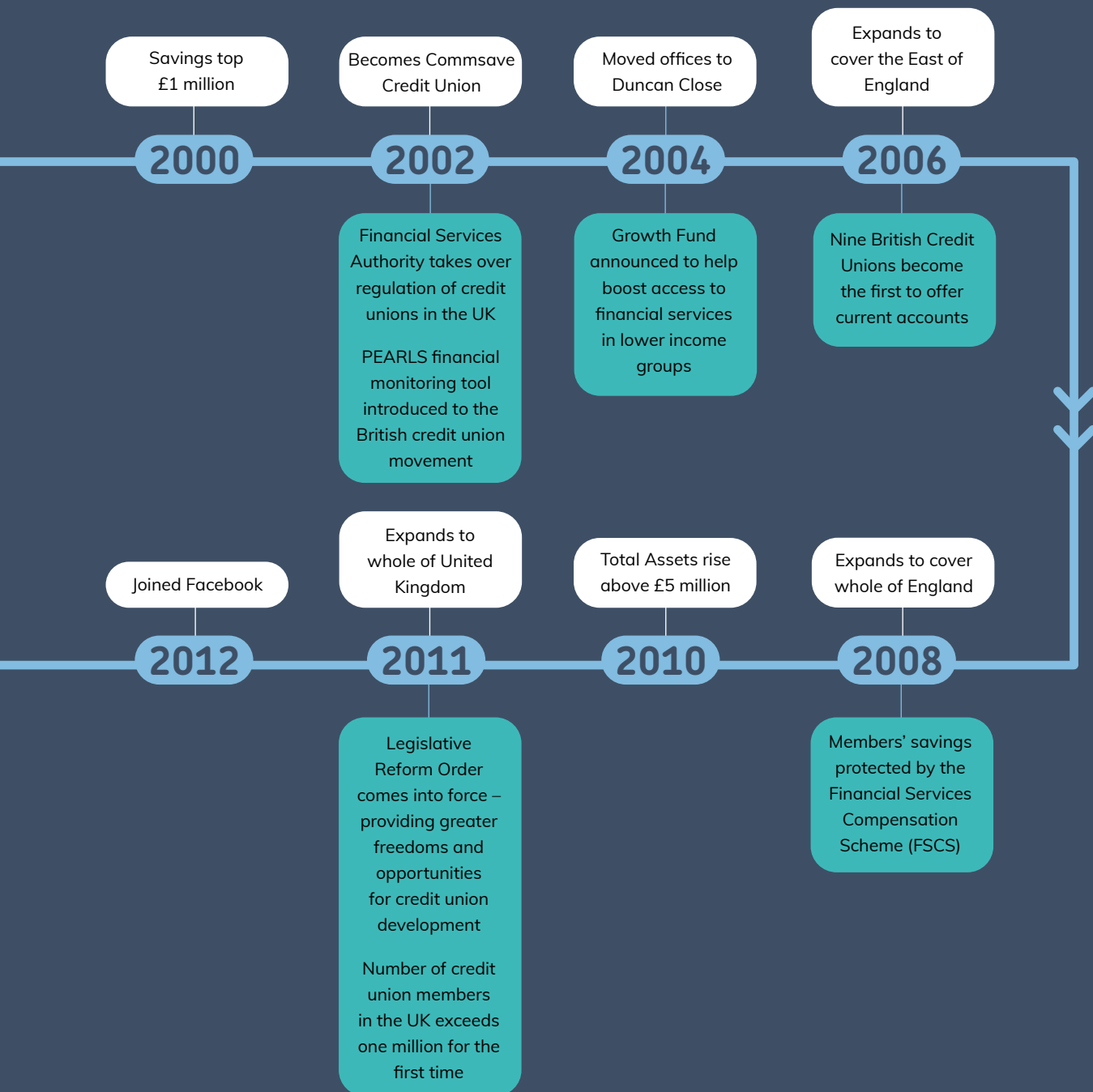
We look forward to serving our members in the years ahead.



Commsave Timeline



Credit Union Timeline



Investing in our Staff

By 2012 the Commsave staff team had risen to ten, and it was getting a little cramped working in just one room.

As the team expanded, we began to use more of the building, developing specific departments, functions, and roles. In 2015, the neighbouring office unit – 5 Duncan Close – came on to the market, and we purchased the additional office to allow for our continued growth plans. We installed a connecting doorway between the two offices and created some much-needed staff facilities:

Welfare Zone - this allowed us to create an area for staff to take a break and enjoy their lunch away from computer screens and telephones.

Meeting Room - a dedicated place for us all to be able to hold staff meetings, discuss projects, and the board to meet at the weekends.

Training Zone - an area we have allocated for staff to complete their training, with a small library of text books to support their studies.

Visitors' Room - a small office area to allow members to be served privately when they visit the office.

Even with the expansion into 5 Duncan Close, it was clear that we would soon outgrow the space. The Credit Union therefore also purchased number 3 Duncan Close, which we plan to occupy in 2022.

By mid-2021, the number of people in the staff team had risen to 28. Key to the expansion of the staff has been the successful recruitment and development of a large number of apprentices. Commsave works with local training providers to offer rewarding apprenticeships for young people, with the

prospect of a full-time job available once the apprenticeship is complete. To date we have had 22 apprentices working with us, and we are delighted that 16 of them are still with us, making a valuable contribution to our staff team.

We are committed to the ongoing training and development of our staff team, providing opportunities for employees to take part in programmes such as CU Futures. This is a 12-month personal and professional development programme for young credit union professionals aged 35 and under, to train and retain talent and create the next generation of credit union leaders.

Commsave is also proud to be a Living Wage Employer. As well as paying our apprentices at a higher rate than the national minimum wage requires, we pay the Living Wage to all full members of staff. Like all signatories to the Living Wage Foundation, at Commsave we believe that a hard day's work deserves a fair day's pay.



Award Winning

Commsave has picked up a number of awards in recent years.

In 2017, the Credit Union was recognised in several categories at the annual Edward Filene Awards, which rewards excellence in the credit union sector.

Commsave picked up awards for 'Beacon Credit Union of the Year', as well as 'Achieving Business Growth', while Amanda Ivey was named as 'Chief Executive Officer of the Year', all as a result of the outstanding growth achieved in the previous year.

The Credit Union was also honoured at the Edward Filene Awards in 2018, collecting an award for 'Fundraising for Good Purposes'.

In 2019, Commsave was recognised by the

Fairbanking Foundation, with the Credit Union holding a quality mark for our Personal Loan product.

In addition, Commsave holds several accreditations. As well as being a Living Wage Employer, Commsave holds a Cyber Essentials 'Certificate of Assurance', which is granted to organisations demonstrating the necessary cyber-security standards.

Commsave are also signatories to the Armed Forces Covenant, being committed to recognising the value that Serving Personnel, both Regular and Reservists, Veterans and military families contribute to our business and our country.



The Commsave Team at the Edward Filene Awards in 2017.

New Opportunities

The last few years have seen further extensions to our common bond.

The first of these saw us expand to cover the NN postcode area. The board of directors had been speaking with representatives from the local community Credit Union in Northamptonshire – Harvest Money – who were looking for a larger credit union with which to merge.

Throughout our history, the Credit Union's common bond was always based on working for specific employers. This meant that, in order to accept the transfer of Harvest Money, the common bond would have to be changed to include a geographic element for the first time. The board recognised the opportunity to further diversify Commsave's common bond, and undertook a thorough due diligence process to understand the implications of making the necessary changes.

Members then gave their approval for the common bond change at the Annual General Meeting held in January 2020, with more than 200 members in attendance. The change meant that anyone either living or working in the NN postcode area (meaning most of the county of Northamptonshire) could join Commsave, regardless of their employment status. The expansion also enabled the transfer of Harvest Money to take place in April 2020.

The transfer would end up being completed against the backdrop of the COVID-19 pandemic that struck in early 2020, with the UK being 'locked down' in March of that year. The team had to adjust very quickly to working from home but were able to continue securely accessing the systems that they needed to serve members. Within just a few days of the national lockdown being announced, the team began remote working and, although there were a few challenges along the way, we were able to ensure that the level of service provided to members was not negatively affected.

A further opportunity to diversify Commsave's membership base arose in the summer of 2020, when we were approached by The Seafarers Charity – who represent the interests of fishers all around the UK – with a view to Commsave opening up its services to people working in the fishing industry. The need for a credit union for fishers had been identified in a research report commissioned by Seafarers, as most people working in the industry are self-employed and can therefore experience difficulty in accessing the mainstream financial services most people take for granted.

The board were keen to explore the opportunity and, with the support of Seafarers and other organisations in the sector, worked to understand the implications of offering services to fishers. A proposal was then put to members at Commsave's AGM in January 2021.

Due to the ongoing restrictions on large gatherings put in place during the COVID-19 lockdown, that AGM was the first to take place online. Once again, more than 200 members attended the AGM, giving approval to the board's proposals, with services to fishers officially launching in April 2021.

Dividends

Commsave has always prided itself on paying a competitive return to members on their savings.

Credit unions work differently to banks, with most savings eligible to receive an annual dividend, rather than a given level of interest. The dividend rate is paid from the surplus Commsave makes during its financial year, which runs from 1st October to 30th September every year.

This means that, once all the bills are paid, and an amount is transferred to reserves to help strengthen the finances of the business, the remaining surplus is re-distributed among the members as a dividend. The amount each member receives is calculated as a percentage of their average balance during the financial year.

In recent years, Commsave has also paid a loan interest rebate to borrowers who have

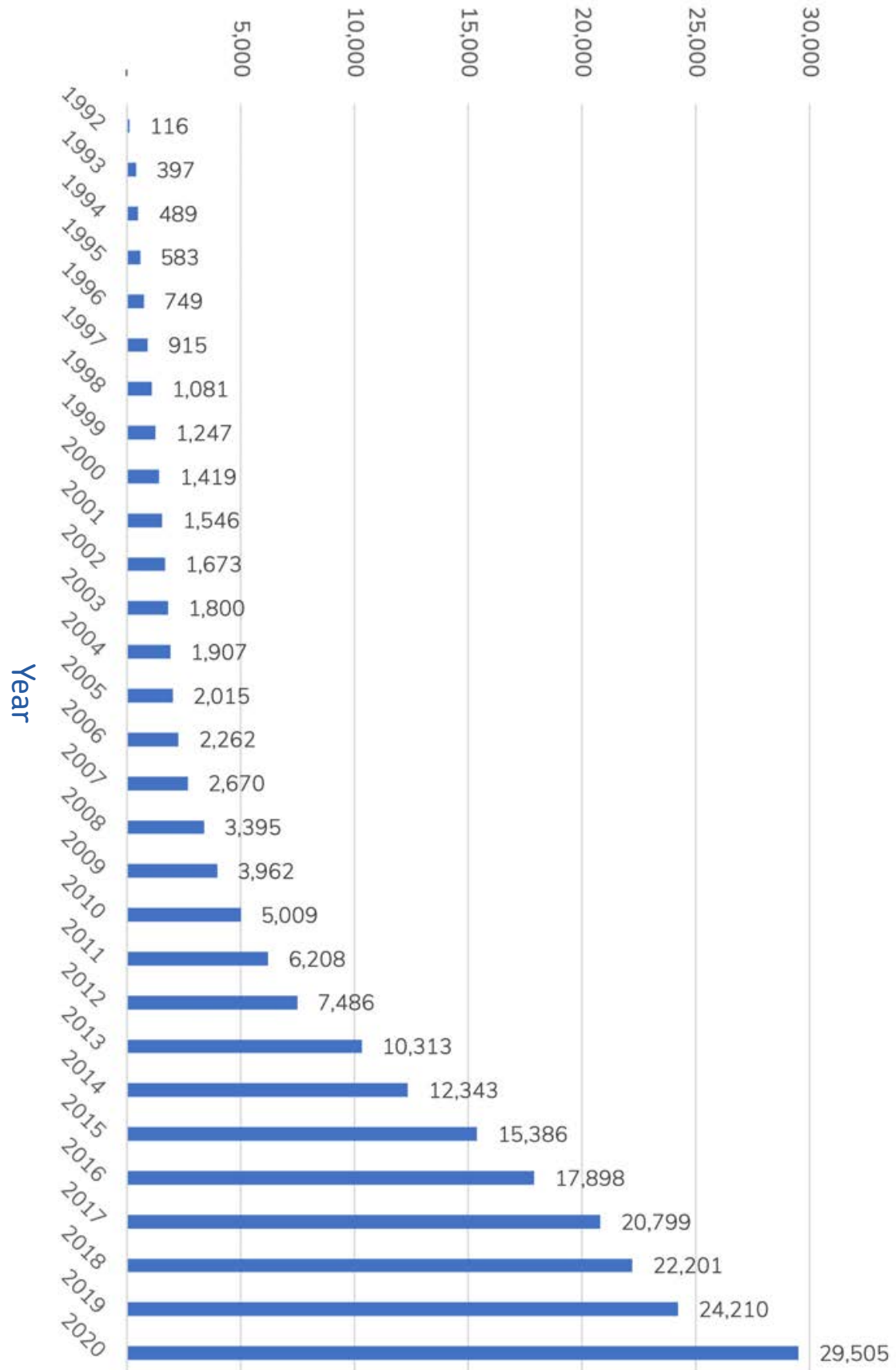
maintained repayments in line with their loan agreements. This rebate is worked out in a similar way to the dividend on savings, being calculated as a percentage of the total interest a borrowing member has paid on their loan during the financial year.

The table below shows the dividend and interest rebate rates that we have paid in recent years. We believe that the returns we have provided to members on their savings are far better than anything they could have earned with an instant access savings account from a high-street provider. This is just one of the many benefits that Commsave membership has!



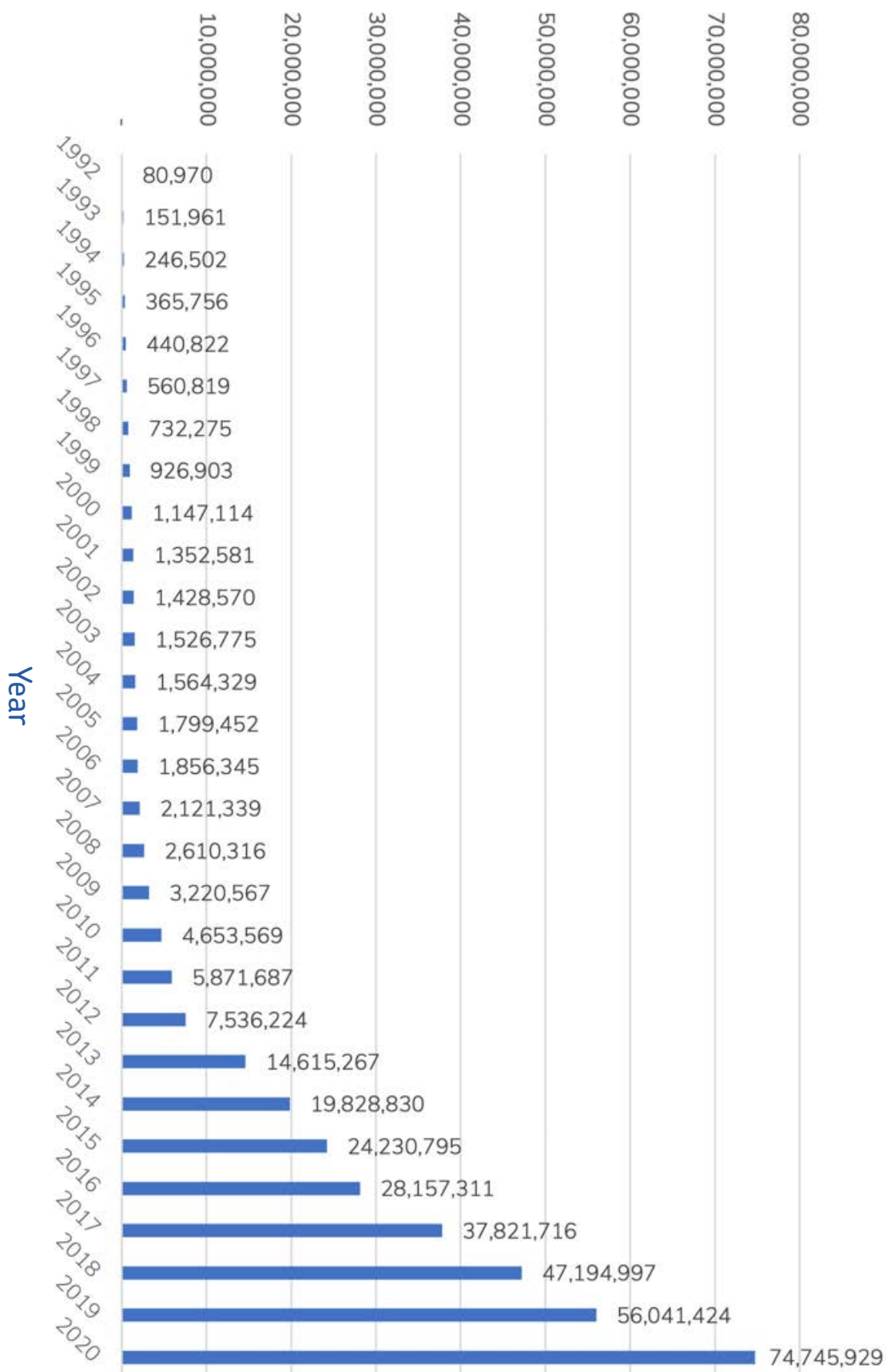
Members

Number

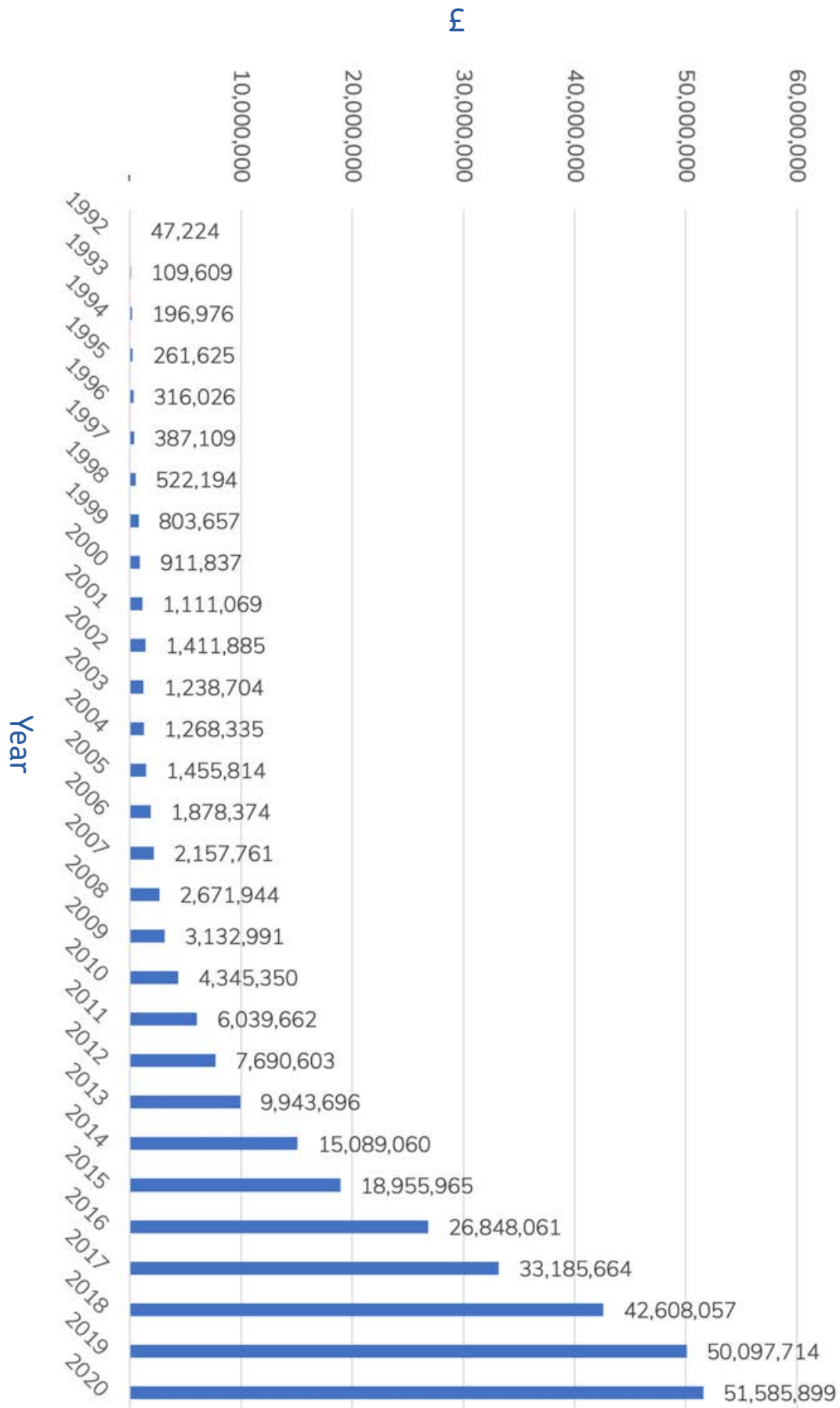


Savings

£

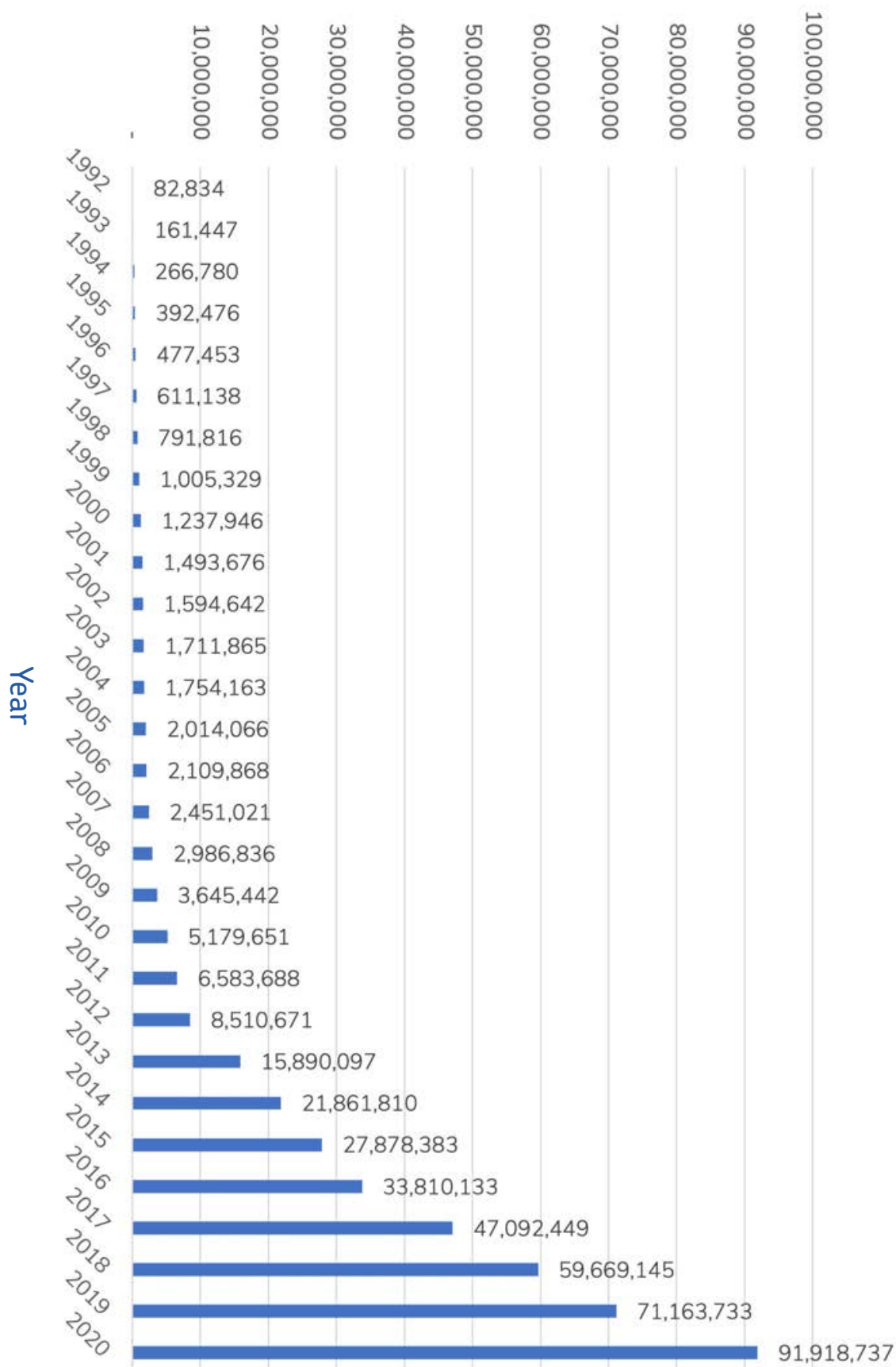


Loans



Assets

£



Charity & Community Support

During our 30 years, Commsave has supported various charities and community events. It is an important part of our core values and something all staff and board members contribute to.

Lendwithcare

Lendwithcare is a revolutionary way to help people in the developing world to transform their lives.

Whether it's opening a market stall or a small tailoring business, or diversifying the crops they grow, people across the developing world are bursting with business ideas - all they need is a helping hand to get started.

Lendwithcare supports them by taking donations made by people who want to support the entrepreneurs and using the funds to make loans that help to get the businesses off the ground.

The minimum loan amount that can be made on Lendwithcare is £15, which although fairly small, for most people it is quite a lot to commit to on a regular basis. As a Credit Union, we wanted to find a way to make a difference. The answer we came up with was simple. As individuals we can only make a small difference, but together it could be huge! Just imagine if each of our 30,000

members donated just £1 a year, we would be able to make 2,000 loans to Lendwithcare.

We give our members the opportunity to donate directly from their savings accounts with us, as well as holding an annual raffle at our Annual General Meeting. Loans repaid are then 'recycled' providing more loans to help more people.



lendwithcare



Macmillan Cancer Support Trust

Each year our office staff support a national campaign to raise funds for the Macmillan Cancer Support Trust. Individuals and businesses throughout the country organise fundraising coffee mornings. All staff contribute by bringing in cakes and snacks to sell at the event, donating prizes for competitions and raffles, and inviting visitors from the local area. In recent years we have been lucky enough to receive a visit from the Mayor of Northampton.

Commsave staff and visitors with then Mayor of Northampton, Nazim Choudary, in September 2019

Rowland Hill Fund

The Rowland Hill Fund was established in 1882 as a memorial to the great postal reformer, and founder of the modern postal service, Sir Rowland Hill, who retired as Secretary of the Post Office in 1864.

The Fund's aim is to provide financial help wherever it occurs amongst Royal Mail Group colleagues, past and present. Over the years the Fund has helped thousands of individuals.

In its early days, before the existence of the Welfare State or indeed the introduction of occupational pensions, organisations such as the Fund were often the only place individuals could turn when in financial distress.

However, although welfare provision is now an accepted part of society there is still financial distress, and the Rowland Hill Fund is still a vibrant organisation.

The diverse nature of help provided indicates there is an ongoing need for the financial support they give. Each year they offer grant aid to current and retired staff.

Due to the ever increasing cost of living, they encounter many situations which produce genuine difficulty for individuals and their families. They are uniquely placed to help Royal Mail Group employees who are in financial distress.

As a Credit Union serving the same group of people, we do come across members experiencing financial difficulties we are unable to help. We support the fund by making a £25,000 annual donation, as well as sign-posting members to their benefits when needed.



Charity for Civil Servants Awards

The Charity for Civil Servants is a registered charity providing support to civil servants experiencing hardship or difficulties. As a Credit Union we receive enquiries from members who find themselves in situations for which a loan is not the best solution. Working with the Charity for Civil Servants, we are able to sign-post members to an organisation with the resources and specialist knowledge to provide them with the support and guidance they need.

In 2019, we also supported the Charity by being the Gold Sponsor at the annual awards, which recognise the incredible work done by civil servants who go above and beyond their day jobs to make a difference to the people around them.



Caterina Angieri presenting Catherine Wilday with her award.

Cynthia Spencer Hospice

In support of our values as an organisation, we work hard to embed into our culture that we are about 'People helping People'. With a young energetic team, it has become a regular feature for us to take part in local fun runs in support of our local hospice for the terminally ill. The staff raise their own sponsorships as well as the support we get from our Credit Union.

Credit unions in the UK in the last 30 years

The last three decades have been a time of great change in the UK credit union movement. The earliest credit unions in the UK had been introduced primarily by people from Caribbean and Irish backgrounds, as a way of serving communities that often found themselves excluded from the financial mainstream.

By the early 1990s, there were around 300 credit unions in the UK, but this number rose dramatically over the following decade. Recognising the important role played by existing credit unions, and buoyed by the availability of government grant funding, groups of volunteers formed their own local credit union, usually serving smaller geographic areas in towns and cities all over the UK. By the end of the 1990s, there were nearly 700 credit unions in the UK.

The number of workplace credit unions also grew in this period – serving employers such as local authorities and hospitals, and, in Commsave’s case, the postal and communications sectors. These ‘industrial’ credit unions generally enjoyed faster rates of growth than their community-based counterparts, with the latter often struggling to grow to the point of sustainability – free from reliance on grant funding – due to their focus on serving deprived communities.

A key moment in the history of UK credit unions came in 1998 with the publication of a report written by Paul Jones of Liverpool John Moore’s University. Titled ‘Towards Sustainable Credit Union Development’ the report proposed that, in order to truly achieve their social objectives of helping financially excluded people, credit unions needed an alternative business model. The report set out a model for ‘live or work’ credit unions – serving larger geographic areas; targeting

employed people as well as lower-income households; and with day to day operations run increasingly by paid staff, not just volunteers.

In the years that followed, many credit unions took on board the messages from Paul Jones’ report, expanding their common bonds and often merging to create greater capacity and efficiencies. In many instances, the ‘lead’ credit union in a particular area was an industrial credit union, re-defining its common bond to include living or working in a town or city.

Another driver for this ‘rationalisation’ of credit unions was the increasing regulation of the UK credit union sector. Whereas credit unions in the UK had previously been regulated by the Registry of Friendly Societies, in July 2002 responsibility switched to the Financial Services Authority (FSA). This placed greater regulatory requirements on credit unions, who now needed to submit more detailed financial returns, as well as putting in place fully-costed business plans and comprehensive governance arrangements.

Many solely volunteer run credit unions would find it difficult to maintain compliance with these new requirements, resulting in smaller credit unions merging in to larger, more established businesses with the skills and capacity to meet the requirements of the new regulatory regime.

One of the great benefits of this new regime was that credit unions were now part of the Financial Services Compensation Scheme (FSCS), enabling them to guarantee to members that their savings were protected. Similarly, credit unions were also now covered by the Financial Ombudsman Service (FOS), providing a way to resolve any complaints that arose. Both of these factors created greater peace of mind for members, giving them increased confidence to put their hard-earned savings with their credit union, helping the UK movement to achieve more significant levels of growth throughout the 2000s.

One area that remained in need of attention was the legislative environment within which credit unions operated. The 1979 Credit Union Act was seen as being overly restrictive, limiting the scope of credit unions' operations. In 2012, the government therefore passed a Legislative Reform Order, which provided greater opportunities for credit unions to develop, including being able to pay interest (not just a dividend) on deposits, and amending membership requirements to allow for greater expansion. When combined with technological improvements that resulted in enhanced access for members, and more flexible lending policies that focused on a member's capacity to repay a loan, rather than just their savings record, credit unions now had the platform to serve far greater numbers of members than in the past.

Further growth followed, meaning that by March 2020, whilst the number of credit unions had dropped to 277, those credit unions now had 1.4 million members, served by 1,700 members of staff. With more than £1.5 billion on deposit and loans to members of £1.1 billion, credit unions had firmly established themselves as important providers of safe savings and affordable loan products to a broad range of members.



**Commsave are proud members
of the Association of British
Credit Unions Ltd**

Scale

At the end of March 2020, the British credit union sector had:

- Around 277 credit unions across England, Scotland and Wales employing more than 1,700 staff
- 1,428,641 people using credit unions, including 129,591 junior depositors
- Total assets of £1.82 billion
- Total loans of £1.1 billion
- Total deposits of £1.54 billion
- Annual turnover of £137 million (year to March 2020)

Sources: PRA unaudited quarterly figures for March 2020

Growth

In the year to March 2020, the sector grew:

- Membership by 2.8%
- Assets by 9.6%
- Loans by 9.2%
- Deposits by 7.4%
- Turnover by 12.9%

Source: Bank of England Quarterly Credit Union Statistics March 2020

In the decade from 2010 to 2019, the sector:

- Increased in membership and loans by 60% and 98% respectively
- Increased in deposits and assets by 126% and 130% respectively

Source: PRA audited, 2019 annual figures and ABCUL

Credit Unions – A Worldwide Movement

The United Kingdom is just one of more than a hundred countries around the world with credit unions.

The very first credit unions originated in Germany in the mid-19th century, through the pioneering work of men like Hermann Schulze-Delitzsch and Friedrich Wilhelm Raiffeisen. They set up organisations based on the idea of making loans from the deposits of other members of the community, operating according to co-operative principles like democracy and equality.

The movement expanded into other parts of Europe during the second half of the 19th century, and then, in the early part of the 20th century, to North America, where many of the world's largest credit unions are now located. By the middle of the 20th century, credit unions were also becoming a feature of countries throughout Latin America, as well as becoming firmly established in countries from the Caribbean to Australia.

Recognising the global nature of the movement, the World Council of Credit Unions (WOCCU) was formed in late 1970, committing itself to "stimulating credit union development where the potential for technical or financial assistance looks favourable".¹ In the years since, WOCCU

has worked on projects in developing countries, helping to build strong and sustainable co-operatives that increase financial access for poorer citizens and contribute to economic areas such as agricultural development.

In Commsave's lifetime, WOCCU has pioneered development models to help credit unions grow into an ever increasing number of countries. Tools such as the PEARLS financial monitoring system have provided ways for credit unions to monitor their financial health, regardless of their size or location. In more recent times, WOCCU has led research into the increased use of digital techniques such as mobile banking and payments systems, to expand financial inclusion, as well as helping credit unions address the challenges of cyber security.

Whilst data from WOCCU's early years is somewhat sketchy, it is clear that the last 15 years has seen a significant growth in the global movement - see table below.

¹<https://www.woccu.org/about/history>

	2005	2020
Countries with credit unions	92	118
Number of credit unions	42,705	86,055
Number of members served	157m	291m
Total value of deposits	\$764 BN	\$2.17 TN
Total value of loans	\$612 BN	\$1.85 TN
Total credit union assets	\$894 BN	\$2.63 TN

International Credit Union Day

With a near doubling of worldwide membership, and total assets almost tripling in the last 15 years, the worldwide movement is at its strongest ever point. This global community is celebrated on the third Thursday of October each year through International Credit Union Day.

As one of more than 86,000 credit unions on six continents around the world, Commsave always joins in the annual celebrations. In the last few years we have focused on promoting the work undertaken by our chosen charity partners, LendWithCare.



Above: Commsave members enjoying cupcakes we delivered to offices on ICU Day 2018.

Twinning

Commsave has partnerships in place with two Credit Unions in the United States of America. The board of directors recognised how well established the credit union movement is in the USA and were keen to advance our learning to help us understand how Commsave could best be developed.

The first Credit Union that Commsave 'twinned' with was Atlanta Postal Credit Union, and in February 2017 a group of directors took part in a study visit.

A second partnership was formed with Members First Credit Union, which is based in Atlanta. Their Credit Union was established in 1953, and now serves more than 35,000 members, being open to various healthcare and educational workers throughout the state of Georgia.

A small group of Commsave's directors and staff took part in an educational trip to Georgia in 2019, attending a conference in Jekyll Island, before going on to visit both of our partner Credit Unions.

We have also had the pleasure of receiving a delegation from the Members First team here at our Northampton offices, sharing insights into how we can continue to improve our members' experience of their Credit Union.



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