

# Your Annual Report 2020

south manchester  
credit union

# Who are we?

## Our Mission and Values

### Our Values

Must inspire the commitment of time and energy. They are our beliefs about what is important:

#### Cooperation

Local people helping local people

#### Quality

Excellence is our goal

#### Ethics

Trustworthy, open and fair

### Our Mission

To provide a secure and professional service that encourages savings and offers loans to members. We are different because we:

- Run the credit union ourselves for everyone in our community
- Keep local money within our local economy
- Reach out to the people who need us most
- Work with financially vulnerable people to find financial wellbeing
- Focus particularly on our young people
- Behave in a welcoming and ethical way

## **What do our members think?**

We understand that we are a combination of who we think we are and who our members think we are.

Our very own 'Word to the People' survey revealed that the top three words our members use to describe our credit union are...

**Friendly... Supportive... Lifesaver...**

We recognise these in the communication we have with our members. These three positive words describe us as well as set a standard for us to live by.



This year we hosted the celebration of five years of Southway Solutions. Southway Housing awarded Mark, who borrowed the 1000th Southway Solutions Loan, by paying him back the value of his loan plus interest.

# Loans

## How can we help you?

### Welcome Loan

- To begin your credit union journey you can apply to borrow between £150 and £1000
- Your first Welcome Loan application will be processed within 2 working days
- Interest is charged on the reducing balance at APR 42.6%

### Saver Loan

- Borrow up to £3,000 (subject to credit level and amount of savings)
- Your loan is processed within five working days (we aim for three)
- Interest is charged on the reducing balance at APR 26.8%

### Smart Loan

- Apply to borrow between £3,000 and £15,000
- Applications processed within five working days
- Interest is charged on the reducing balance at APR 14%

### Secured Loan

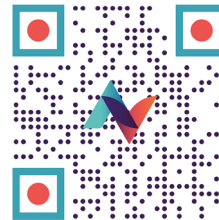
- Apply for the matched amount of what you pledge against your loan
- Pay up to APR 9.4 % on the reducing balance

### Southway Solutions Loan

- This loan is for our members who are Southway housing tenants
- Apply to borrow up to £300
- Pay APR 42.6% on the reducing balance

\*T&Cs apply to all loan products

\* We arrange flexible repayments that suit you



Scan the code to  
apply over our  
messaging app,  
Nivo

# Savings

## What are you saving for?

### Open Savings

- Feel secure knowing you have savings tucked away
- Grow your savings with a limit of one withdrawal per month
- Deposit via bank transfer or in cash
- Easy to access through our messaging app, Nivo

### Locked Savings

- These are shares within the credit union.
- Build up during your credit union journey
- You pledge these savings against your loans
- We invest your locked savings back into the community to provide fair and affordable loans

### Young Savers

- Young Saver accounts are for members up to age 16
- This account helps children save
- Teach our future the value of saving
- Free piggy bank for each new Young Saver

### PrizeSaver

- The savings account with monthly prizes
- Every pound in a PrizeSaver account (up to £200) counts as an entry into a monthly draw
- Each month HM treasury is awarding 20 prizes of £20 and a headline prize of £5000 to PrizeSavers in 15 credit unions

### Christmas Club

- Christmas can get pretty expensive - this account helps you save towards it
- You can make deposits all year round but not withdraw until 1st November
- You also get entered into a yearly Christmas club draw with a top prize of £50

# Marie's Story

On top of being a safe place to save for the future, credit unions offer loans ranging from small to large. Money lent out from South Manchester Credit Union has helped members pay bills, buy Christmas presents, go on holiday, and in Marie's case, get her dream bathroom.

A few years ago, Marie was in teacher training and starting a new chapter of her life. It was her curiosity that led to her joining the credit union. She noticed people coming in and out of her local church with their paying-in books. She found out it was Fallowfield Credit Union, a community-owned, easy way to save and borrow. Marie decided it would be sensible to join.

Marie found saving easy because her savings were not overly accessible, making her 'forget' about them whilst they built up. She got a small loan with Fallowfield that she viewed as more affordable debt than with a bank or credit card. The interest was low and she had set up a standing order making payments easy.

In 2017 Fallowfield Credit Union merged with South Manchester Credit Union. By now a lot had changed in Marie's life as well, she was getting married. She used

her savings to help pay for some of the wedding and a deposit for a mortgage.

Marie and her husband's bathroom was long overdue a makeover but it looked like it wasn't going to happen. They tried to save but the wedding took priority. The couple almost gave up before Marie remembered about the credit union. She decided to come down to 187 Fog Lane to see how we could help.

She was told she could apply for a Smart Loan and it could all be done on her phone through our messaging app, Nivo. Smart Loans are designed to help afford the more expensive milestones in life. Marie's application was successful and soon enough she was calling the decorators.

Marie says what she liked was that we listened to her circumstances rather than just looking at the credit score. The repayments were set at a level to suit her whilst she also carries on saving.

The loan application was quick to complete and all done from home. She says she'd definitely come back if she needed something that was just a little too expensive to pay for in one go.







# Board Report

It is an honour for me to chair our Board of Directors. We are all volunteer directors and I appreciate my fellow directors for their time and energy. They work for our community with good humour as they carefully guide the strategic decisions. In this last year, our board have decided that we should grow the size of our credit union.

This is a vote of confidence in our staff, our members and our community. It also shows a confidence in ourselves. We now have a strong record of savers who trust us and members who borrow from us and who pay us back. This saving and the borrowing is at the heart of what we do. We keep local money local. We recycle local money so that our members can enjoy the riches of life such as holidays and Christmas presents and washing machines. It makes our community stronger and richer.

So, we have doubled the size of our offices, invested in digital technology and invested in new staff members which is all helping to double-check our processes as well as speed them up.

We have new branding. We are expanding and improving.

We grow when new people join and become borrowers and savers. Our local reputation is our greatest marketing advantage. We grow when members tell family and friends and neighbours about us. We grow when news spreads about how we can be trusted, how friendly our staff are and how our services have a 'life-saving' effect on people's lives.

Our credit union is strong and it is on the up. Encourage somebody to join. It makes us all stronger.

**Mike Connolly, Chairman**

# Refurbishment & Rebrand

Many of you may remember when we moved to 187 Fog Lane in 2012. We have now taken the next step and expanded into 189. We are really enjoying the extra space and it has made the addition of new staff possible. This milestone represents all the achievements of our credit union over many years.

Our Grand Opening was attended by more than 50 well-wishers from sister credit unions and our local community. One of the highlights was the reading of a new poem written for us to mark the occasion by Mike, our chair of the Board. This echoed the Opening Ceremony for 187 when Mike first penned a poem for us and performed it live.



We felt a new look would match all the positive changes to the organisation and coincide with the expansion. This meant we had to say goodbye to the old jigsaw logo and green colour scheme. We hope you have become familiar with our fresh look and new-found voice over the year.

# Reasons to be Cheerful

A poem by  
**Mike Connolly, Chairman**

We want mobile phones and Southway Homes, we want families on beaches and affordable loans.

We want the freedom to choose a new pair of shoes, we want our heads above water and money we can use.

We want social cohesion and neighbourhood unity, and we want money in the pockets of the local community.

So we save for tomorrow, borrow for today, and our credit union frees us to work, rest and play.

We have refurbished premises and ambition in our minds, we have IKEA chairs and remote-controlled blinds.

We have an accessible toilet and sharp clean walls, we can message our members in no time at all.

The energy and the confidence of our employees can help a money worried family up off its knees.

Skilful lending, careful attending, sometimes refusing, never offending.

Modest amounts, meticulous accounts, attention to detail, every penny counts.

If were gonna make it work we have to make a surplus and a badly judged loan has the potential to hurt us.

We want members to be safe, we're not selling sorrow, we encourage them to save but we need them to borrow.

We wanna make it cheap but we have to make it pay, to be viable in the future we need an income today.

So Directors examine the financial statistics with fresh cups of tea and a plateful of biscuits.

With the share to loan ratios and the bad debt provision, they take two and a half hours to make one clear decision.

It's a life-saving service in the words of our members, we treat them like family and we hope they'll recommend us.

Our sister credit unions take pleasure in our success, if one of us struggles we reach out to the rest.

We lend each other policies and intellectual inspiration, 'cos the framework for compliance needs a bit of explanation.

We are grateful to our friends who have guided us this way, we have beer and sandwiches to share with you today.

We are aware of our journey and the lessons it's taught us, our credit union's strong, we have found the calm waters.

When we all stand together there's no need to be fearful, amongst credit union people we have reasons to be cheerful.

# Our Credit Union in Numbers

As at 30th September 2019

**4,371**

Active members

**4,177**

Active adult members

**194**

Active young savers

**60.8%**

Of members borrowing

**216**

Christmas Club members

**£2,355,825**

Member loans

**£3,031,652**

Active adult savings

**£110,883**

Active young savings

We've supported our  
community with over

**£20,500,000**

in loans since

**2000**

# Our Credit Union in Numbers

**During financial year 2018-19**

**5,144**

Loans issued

**£2,596,898**

Amount lent

**754**

New members

**£409,880**

Total Expenditure

**£432,592**

Loan interest earned

**£2,139,273**

Savings deposited

**10.15%**

Adult member growth

**4.8%**

Adult savings growth

**25.6%**

Loan book growth



# Manager's Report

This has really been a year of change and growth for our credit union.

We refreshed our look, bringing in blue colours with a few dots of warm orange. This was to mark our identity as a growing, maturing, inclusive community credit union. We are here to stay in Burnage and our bright new windows give light from outside and let Fog Lane see clearly what credit union life is like on the inside.

Since we opened on Fog Lane we have doubled in size and, in our recent strategic review, we have challenged ourselves to double again by 2024. We are off to a solid start since this year saw a 55% increase in the number of Welcome Loans issued to new members.

More space has meant that we have been delighted to offer two new Member Service roles to local residents, and two marketing roles to MMU undergraduates, bringing our staff numbers to 11.

Belonging to a credit union improves financial wellbeing. Have a look at our Instagram page and join our Manc Money Matters Facebook group - it has more than 550 members who share finance hacks and know how with each other. We even made it on to the BBC Life and Debt programme in Summer 2019 - it was

clear that when the work is done there is definitely a lighter side!

We look for innovative ways to deliver service to members and our messaging app, Nivo, has once more stimulated change. This year we have enjoyed developing our 'bots' which have been making life easier for new joiners and loan applicants.

Our members have the chance to take part in a monthly prize draw as we were one of only 15 credit unions chosen this year for a nationwide pilot of the Prizesaver account.

We have been especially proud to earn the 5 star Fair Banking Mark this year as the award is mostly based on an Ipsos Mori survey of member experience of the service they have received. I salute the staff team and our volunteer supporters in achieving this level of recognition.

We look forward to new opportunities to shout louder about the difference credit unions make to the quality of everyday life and to attract more people to take advantage of all that South Manchester Credit Union has to offer.

**Sheenagh Young, Manager**

# Shay's Story

Unlike other lenders, credit unions don't just offer short term solutions to people experiencing financial difficulties. When someone joins us their savings are shares within the credit union and they become one of our 4,371 co-owners. This relationship means we can encourage members to save for the future and strengthen their long term financial health.

It was over 10 years ago that Shay moved from Ireland to study at university in Manchester. Whilst studying Marketing he did what many students do; racked up a lot of debt.

Shay maxed out a few credit cards but later realised the interest was too high to pay them back. He was also looking to improve his low credit score as he had his eyes on the future and wanted to get a flat.

Shay decided to join South Manchester Credit Union.

As a child, Shay had been a member of his local credit union in Ireland and his family knew of the difference belonging to a credit union can make.

Shay applied for a loan to consolidate his debt and reduce his monthly repayments. Over time his credit

score recovered steadily as he made his regular repayments. Alongside this, his regular savings deposits had flourished into a small fortune.

Since joining in 2013 Shay's financial situation has improved a lot. He has paid off his debt, is renting a flat, has a car on finance, and a great job in marketing. Shay's savings have also come in handy at Christmas time buying presents.

He says he liked how the credit union helped him save long term, unlike a 'big corporate bank', he enjoys the freedom of popping a message over Nivo rather than being on hold on the phone to customer services. Shay says he now feels he has a long-standing relationship with South Manchester Credit Union.

The next step in Shay's life is to move to Barcelona. Shay's nest egg will help him enjoy himself whilst looking for a job. He says he'll continue saving with the credit union for whatever comes along next.

**Buen viaje!**

# Meet the Team



**Aimee**



**Andrea**



**Beck**



**Ryan**



**Sandra**



**Sheenagh**



**Ed**



**Ginka**



**Raqeeb**



**Tricia**



**Trish**

# A Matter of Life and Debt

One highlight from the last year was our appearance on the BBC One television series 'A Matter of Life & Debt'.

'A Matter of Life & Debt' is a successful documentary series about credit unions and responsible lenders across the country. We made an appearance in series 3, episode 6.

A section of the episode tells the story of Kimberley, a single mother of two who struggled to juggle a college course and get her children to daycare using public transport. Looking to buy a car, Kimberley approached a high street lender but found the repayments were too expensive. She then came to the credit union and was accepted for a loan; meaning she could get the car she wanted. Kimberley said "I'm stepping the right foot forward for my kids – when I do good they do good"



South Manchester Credit Union member Billy also starred in the episode. He was applying for a loan to get a new banjo which he played on tour overseas. Billy came to 187 Fog Lane to tell us the story and play his banjos for us.

These are just two examples of the loans that we offer here each day. The episode gave an authentic view of life behind the scenes in a community credit union; the focus on serving members, the connections to our local communities, the serious business of responsible lending decisions and the fun side of life on Fog Lane.



# Affiliations



Front cover photograph by Andrew Brooks [www.andrewbrooksartist.com](http://www.andrewbrooksartist.com)

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## Follow us

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South Manchester Credit Union is authorised by the Prudential Regulatory Authority (PRA) and regulated by the Financial Conduct Authority (FCA), and the Prudential Regulation Authority. FRN 213666

# Credit Union loans tick all the boxes

Affordable



Flexible



Tailored to you

