

## **CREDIT UNION RELAUNCH SET TO BENEFIT THOUSANDS**

Savers and borrowers across Croydon are set to benefit from the relaunch of a council-supported community bank offering a safe and cost-effective alternative to payday loan companies.

Croydon *Plus* promises members competitive interest rates and a range of services that sit in line with the council's financial inclusion strategy that seeks to enable more people to take control of their household budgeting.

The relaunch will see the introduction of online banking and a new product called the Jam Jar Account, designed for members who might have money-management difficulties.

When they open their Jam Jar Account, they will agree to have any benefits they may be receiving paid straight into the account which will then manage the funds, settle household bills, pay off debts and, at the same time, squirrel away a small percentage as savings.

Keen to see the revitalised credit union succeed in helping the community, Croydon Council is backing the venture with a ring-fenced, flexible term, secure loan of £100,000 that will help the union deal with the new clients the relaunch is expected to attract.

Operating as a community bank that is owned by its membership, Croydon *Plus* will be regulated by the Financial Conduct Authority and overseen by an unpaid board chaired by Wimbledon clergyman the Revd Andrew Wakefield and including Croydon councillors and senior council officers.

Formerly known as Croydon, Merton and Sutton Credit Union, and established in 1999, it is part of a movement that has been in existence for more than 150 years. Credit unions originated in Europe, and operate as cooperative community banks offering, in addition to savings accounts, loans at rates that are lower than their high-street bank competitors, payday companies and loan sharks.

Councillor Mark Watson, cabinet member for communities, safety and justice, said: "We, as a council, want to help as many members of the borough's communities as we can, particularly at a time that's seeing the introduction of universal credit, which will impact on many of our residents.

"We see Croydon *Plus* as a positive way of encouraging people to save a little – whether it's for a rainy day or a special occasion – and also to offer them financial support, when they need it, at a fair interest rate and without the stresses and intimidation that can come with other, less reputable, loan providers.

"I'd urge everybody to open a Croydon *Plus* account. Their money enjoys the protection of the Financial Conduct Authority, so it's quite safe; they'll pay a

fair level of interest on any loan they take out; and they'll also be offering a helping hand to other members of their community. Everybody wins."

Revd Wakefield said he was looking forward to an exciting time ahead for the credit union: "We on the board of Croydon *Plus* see the involvement of the council as a major step forward in growing our services and our membership.

"As with all credit unions, Croydon *Plus* exists to offer safe, cost-effective finance options for those in the community who, for whatever reason, don't want, or aren't able, to use the high-street institutions.

"I'd echo Councillor Watson's recommendation, and ask anybody who doesn't have a Croydon *Plus* account: why not?"

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