

## ACE Model Rulebook Revision Accepted and Sealed by the FCA



To address the issue of allowing credit unions to hold virtual AGMs and Board meetings ACE has had the FCA's Seal of Approval which makes virtual meetings acceptable. The Rule changes can be found in:

**Rules 40.1 + 40.2** - Changes allow electronic attendance at Members meetings.

**Rule 41.4** - New rule "immaterial whether any two or more Members attending are in the same place as each other."

**Rule 42.1** - AGM date shifted from 5 to 6 months from the end of the previous financial year.

**Rule 42.4** - Adds electronic notice of the date, time, place or electronic link to the members meeting.

**Rule 59.1** - Allows Directors to attend Board meetings electronically if they wish to do so.

Date approved: 15<sup>th</sup> October 2021

To adopt the revised Model Rules this will have to be approved by a General Meeting of your members and sent as a complete amendment to your Rules to the FCA. [Mutual societies: forms | FCA](#)

To view the sealed copy of the ACE Model Rulebook email [bill.hudson@acecus.org](mailto:bill.hudson@acecus.org)

## ACE Member's Survey Results September 2021



The annual ACE members survey was completed by two thirds of the current membership who said that:

**"ACE was a more approachable trade body compared to others"**

**"ACE is a very close community, very responsive and always open to suggestions"**

**"With ACE you were not just a member of a trade body, but a family"**

ACE Training was identified as a major benefit of being a member with 80% of members responding had attended at least one ACE training session.

Future training required:

- **Regulatory Framework**
- **Marketing**
- **Advice on Investments**

When asked what the 3 major challenges to our credit unions respondents said:

- **Loan book growth**
- **Recruitment of skilled directors**
- **Succession Planning**

100% of respondents said that they felt that ACE responded to their queries in a timely manner.

## Grampian Credit Union opens new office in Aberdeen

On Tuesday the 7th of September 2021, Grampian Credit Union officially opened its new business premises in the heart of the city of Aberdeen. The new office was opened by the Lord Provost Barney Crockett.

Grampian Credit Union was established in 1993 as a savings and loan co-operative to serve residents and those who work in Aberdeen city, Aberdeenshire and Moray.



**Lord Provost, Barney Crockett opens new office**

Pictured with the, Lord Provost Barney Crockett are Joe Ochei (Chair of Grampian Credit Union), Adetoun Boluwade (Secretary of the Grampian Credit Union), Chinyere Adeniyi-Alade (CEO of Grampian Credit Union) along with the Staff team.

The occasion generated great attention and publicity which will help GCU's marketing strategy for post covid-19 pandemic recovery plan.

The board and members of staff have been working tirelessly to promote loans and attract new members to sign up.



**grampian  
credit union**

## Warrington Credit Union joins forces with Unify Credit Union

Warrington Credit Union has joined forces with Unify Credit Union, which already operates in Wigan, Chorley, South Ribble and Skelmersdale, to provide enhanced services.

Graham Fielding, Chairman of Warrington Credit Union, said:

"Over the past twelve years, we have provided ethical and affordable financial services to thousands of people in the town. With the strength of Unify Credit Union's online offer which will enable our members to request withdrawals, apply for loans and check their balances, we're hopeful that many more Warrington residents will be able to access financial services from an organisation that genuinely cares about helping them take control of their money matters."

Angela Fishwick, chief executive of Unify Credit Union, added:

"We are delighted to be able to offer our services in Warrington at a time when affordable loans and easy ways to save are more important than ever. Warrington Credit Union already has a strong membership base of 1500 in the town, and we can't wait to build on this and offer quicker, easier ways for more people to manage their money with their local credit union"



## #HowsYourBalance – Balancing your money could get easier with a credit union

The SoundPound Consortium of credit unions in Greater Manchester credit unions launched a credit union awareness raising campaign that continued throughout the month of October 2021.

The campaign challenged people to balance something on their body, take a picture or video, and post it on social media – nominating 3 friends to do the same along with the hashtags ‘#HowsYourBalance’ and ‘#CreditUnionAwareness’. The challenge aimed to have fun whilst raising awareness of credit unions.



**Angela Fishwick, CEO at Unify Credit Union said:**

“We wanted everyone to learn about the positive impact credit unions have in their communities and how they are here to support people through saving and ethical lending.”

ACE were delighted to support the credit union campaign #HowsYourBalance raising awareness of balancing budgets and mental health.

Here's the ACE CEO raising a glass to @unifycu and other Greater Manchester credit unions and their fantastic campaign.



**Bill Hudson – ACE CEO**

## Credit Union Pioneer Ralph Swoboda Passes Away

The Board of ACE were saddened to hear of the passing of Ralph Swoboda from the Centre for Community Finance Europe.

Ralph served as president and CEO of CUNA from 1987 to 1995, as the association's general counsel from 1974 to 1987. He most recently served as managing director of CUFA Lending Analytics, a software solutions company based in Ireland.

After leaving CUNA Mutual in 2005, Ralph co-founded CUFA Ltd. and has provided consulting and executive-level project management services to credit unions and credit union organisations in the USA, UK, Ireland, Australia and China and to the World Council of Credit Unions.

Dr Paul A Jones and Nick Money, co-founders with Ralph of the [Centre for Community Finance Europe](#) (CFCFE) commented: “We are very sad to announce to the members and friends of the Centre for Community Finance Europe, and of the credit union movement across the world, that our friend and colleague Ralph Swoboda passed away at home in Dublin in the early hours of Monday morning, 13th September.

“The progress of CFCFE under his leadership since he founded the organisation with us in 2017 was something of which he was personally very proud, and we thank you all for your support for the Centre since its launch. We will miss Ralph terribly but fully intend that CFCFE will continue, as just one of his many legacies.”



**Ralph Swoboda**





## Fair4all Finance to Pilot No Interest Loans Scheme

Fair4All Finance is teaming up with Toynbee Hall and Fair By Design to deliver a No Interest Loan Scheme (NILS) pilot, the first of its scale across the UK, with £3.8m in funding from HM Treasury and up to £1m of lending capital from each devolved administration, matched in England by Fair4All Finance.

The loans will provide a vital financial cushion for people unable to access or afford existing forms of credit, but who can afford to repay small sums, by offering a way to spread essential or emergency costs.

The scheme will kick off with "proof of concept" loans in Autumn 2021, followed by a wider two year pilot in up to six areas of higher deprivation starting in Autumn 2022. Fair4All Finance, Toynbee Hall and Fair By Design will design and deliver the pilot in collaboration with HM Treasury and the governments in Northern Ireland, Scotland and Wales.

They will work with credit unions, Community Development Finance Institutions (CDFIs) and other regulated lenders, who will be able to apply to administer the loans through a formal procurement process starting in November.

Local councils, housing associations and charities will be encouraged to form partnerships with lenders and provide co-funding to help increase the amount of people the pilot can reach. These partnerships are key to the success of the scheme.

**John Glen**, Economic Secretary to the Treasury said: 'Backed by a £3.8m boost at Budget 2021, our No-Interest Loans Scheme pilot is making good progress and it's excellent to have Fair4All Finance on board. I now want to see lenders and organisations committed to financial inclusion supporting this innovative new scheme, which could make a vital difference for people right across the UK who can't access or afford existing forms of credit.'

## Bank of England Statistics for Credit Unions in 2020



BANK OF ENGLAND

The Bank of England publish has published its annual credit union statistical report based on annual return data for the credit union financial year ending 30<sup>th</sup> September 2020. The figures covering the financial year for 2020 shows that credit unions in the United Kingdom now serve over 2 million people and collectively hold assets worth over £3 billion.

- Adult membership of credit unions increased in 2020 Q4 after decreasing in 2020 Q3. The total number of adult members was 1.92 million.
- Total assets across the UK increased by 1.6% over 2020 Q4 and reached its highest reported value at £3.98 billion.
- The value of loans to members increased for the first time in 2020. Credit union lending increased in every UK region with the total value of loans rising by 2.4% up to £1.63 billion. The largest change occurred in Wales which saw an increase of 9.9%.
- Total relevant liabilities exceeded £3.0 billion for the first time on record, having increased by 2.2% across the UK in 2020 Q4.

### ACE Director Links

All ACE members have a direct link to an ACE Board member in addition to the **ACE CEO**.

**Angela Fishwick** - [unifycu@aol.com](mailto:unifycu@aol.com)

Knowsley Mutual CU, St.Bernadette's CU, Whitehaven Egremont CU

**Sue Gurney** - [suestacey350@btinternet.com](mailto:suestacey350@btinternet.com)

Mendip CU, Somerset Community CU

**Dorothy Brown** - [browndorothy4@gmail.com](mailto:browndorothy4@gmail.com)

Community Savings Guernsey, Community Savings Guernsey

**Alan Robson** - [alanrobson635@aol.com](mailto:alanrobson635@aol.com)

Flamesavers CU, Birmingham Inner Circle CU

**Nancy MacGillivray** - [naneen100@gmail.com](mailto:naneen100@gmail.com)

Grampian CU, Blackburn Seafields CU, Grampian CU

**Chinyere Alade**

[cadeniya.alade@grampiancreditunion.co.uk](mailto:cadeniya.alade@grampiancreditunion.co.uk)

N.Tyneside Employees CU, W.Loithian CU

**Janine Maranghi** - [janine@saveeasycreditunion.co.uk](mailto:janine@saveeasycreditunion.co.uk)

BAG CU, Brecon CU, Clivey CU

**Tom Boynton** -

[tom.boynton@knowsleymutualcu.co.uk](mailto:tom.boynton@knowsleymutualcu.co.uk)

N.E Warrington CU, SaveEasy CU, Unify CU

## Cyber-Crime Resilience Exercise

In late 2019, the Cross Market Operational Resilience Group (CMORG) ran a cyber response exercise with 15 of the largest UK finance sector firms. The exercise tasked participants with mapping their response to a severe cyber threat – enabling them to better understand assumptions and dependencies within their organisations and to benchmark against their peers.

CMORG has since teamed up with Immersive Labs to update and deliver this exercise to the wider financial sector via an innovative online platform. Designed to be played through by key decision-makers and technical specialists alike, this exercise provides your organisation with an opportunity to improve its understanding of how it would respond in a severe but plausible cyber threat scenario. It also provides a chance to compare your response both to those organisations that undertook the original exercise and to a selection of the most relevant industry good practice guidance.

The CMORG Cyber Response Exercise 2021 has been created by industry, for industry. It is not a regulatory or supervisory exam, and there is no pass or fail element. All results will be fully anonymised. The cyber threat poses a unique set of challenges to the financial sector – this is an opportunity to equip your organisation to navigate those challenges with greater confidence, clarity of purpose, and coherence.

To register for the CMORG Cyber Response exercise and access the scenario, please visit: <https://CMORG.immersivelabs.online/register>

- Please use your business email address and a 12-character password.
- CODE: FCA-TACIG
- You will then receive a verification email.

Once registered, you will be sent to the Welcome page. Here you can see a short video that provides further guidance on the exercise and how to use the platform. You can return to the platform and exercise any time after registration by visiting: <https://CMORG.immersivelabs.online/signin>

entering your username and password.

If you have any problems at any stage of the registration process, please email [support@immersivelabs.com](mailto:support@immersivelabs.com) or [support@immersivelabs.com](mailto:support@immersivelabs.com), including 'CMORG' in the subject line.

## Working together to improve the Financial Health of Welsh Workers

Moneyworks Wales, is a new payroll product launched this autumn, aims to help employees across Wales to build a better financial future. Supported by the Welsh Government, TUC Wales, the payroll scheme is a collaboration between 10 Welsh credit unions and already has over 150 businesses across Wales on board including Legal & General, Admiral Insurance and Airbus.

Businesses, or payroll partners, that sign up for the scheme can offer employees the opportunity to borrow or save money directly from their salary through their workplace payroll system. Much like national insurance or income tax, loan repayments and savings are taken directly from an employee's salary before it reaches their bank account.

Encouraging employees to improve their financial wellbeing and providing the means to do so can positively impact the business itself. The CIPD found that one in four workers said that money worries had affected their ability to do their job. Businesses can evidently benefit by playing a role in encouraging their employees to prioritise their financial wellness.

The events of the past eighteen months have also highlighted the need for a financial safety net, with many finding themselves vulnerable to job losses or salary cuts. 16% of Welsh workers were employed in industries forced to close during the pandemic and 17% of people in Wales said that the pandemic had caused problems for their household finances.

Jane Hutt, Minister for Social Justice, said: "The continued development of a strong credit union movement will provide access to fair, responsible and affordable credit for all across Wales. Many of us will need support at some time in our lives and the Moneyworks Wales payroll product will offer employees the help needed to make their money work for them and become more financially resilient, whilst slowly building a savings buffer. I strongly encourage employers to work with their local credit union to better support their staff financially, and beyond."



## Having Employees as Directors



Some ACE members have been asking about the Rule which allows employees to become directors of the credit union that employs them.

Rule 57.3 states that:

“Subject to the provisions in Rules 56.2, 58 and 69(j), members at an annual meeting, may determine that a number not exceeding one-third of the body of Directors identified in Rule 57.1. may be elected from amongst members who are employed by the credit union. Members so elected will remain subject to their individual terms and conditions of employment.”

Having researched this topic with some of our largest members it would appear that those credit unions that employ a Chief Executive or a General Manager do not have such employees on their Boards.

Most ACE members seem to make a strong distinction between directorship and employment within the credit union which clearly separates the functions of a director and an employee so that operational responsibility is not mixed with governance responsibility. Although the ACE Rules do allow for employees to be on the Board it is up to each member to have their own policy on how it feels this issue should be tackled.

It would appear that this Rule was introduced to help credit unions who were struggling to attract volunteer directors from external sources. Members should have a written policy which states what your elected Board's view is on allowing employees to be on your Board.

I am aware of some ACE members that do have employees sitting on their Boards and I think that these credit unions should let their members know the reasons for such nominations and on what grounds such nominations are accepted or rejected.

## FCA Cyber Incidents



At a meeting of the of the Trade Associations Cyber Information Group on the 12<sup>th</sup> October 2021, the FCA reported that there was a slight spike in the number of reported cyber incidents in 2020. Over 2020 and 2021, cyber-attacks on third party suppliers and that phishing related cyber-attacks were the most prevalent. 2021 has seen a slight increase in the proportion of ransomware cyber-attacks reported. Distributed denial-of-service (DDoS) attacks have also increased over the past year. A DDoS is a malicious attempt to disrupt the normal traffic of a targeted server, service or network which seem to have the motivation of disruption, or ransom.

The FCA flagged that they have seen attackers scan publicly available information such as LinkedIn and social media profiles previously. The attackers can draw accurate maps of organisations by looking at social media profiles. They further added that the CBEST team which tests cyber resilience of firms have seen in the intelligence phase LinkedIn being used to scrape data, people post job titles etc/projects they are working with or on. People use this to build intelligence on a firm.



At a trade bodies meeting held with the PRA on the 2<sup>nd</sup> September 2021, the PRA announced that it is looking to review and make changes to its' Credit Union rules and Regulatory guidance on Liquidity, investments, capital recovery and resolution and expectations of those credit unions that provide mortgages,.

The areas were discussed and for the majority of members they will not notice many changes as the majority of ACE members are already strong in areas such as liquidity, investment and capital. Any changes introduced are likely to be announced after changes to the Credit Unions Act 1979, to allow credit unions to offer more products and services are announced in 2022.



## Somerset Community Credit Union – 'Biting Back against the Loan Sharks'



### Cllr Leigh Redman, Mayor of Bridgwater at the launch

Somerset Community Credit Union is working in conjunction with the England Illegal Money Lending Team biting back against the loan sharks and illegal money lenders with their new promotion in Somerset. Using Proceeds of Crime money confiscated from convicted loan sharks the fund will be used to sponsor newly opened credit union accounts.

This promotion is open to the first 50 new members to join the Somerset Community Credit Union from the 15<sup>th</sup> September 2021, who successfully manage to save at least £10 a month for 3 consecutive months. In return for this they will receive a £25 bonus completely free provided by the England Illegal Money Lending Team and taken directly from the Loan Sharks themselves.

This offer is open until 31<sup>st</sup> December 2021 and the £25 bonus will be paid directly into the members account by the end of March 2022. Only one new membership is allowed per household and the new member must have an income of less than £26,000 per annum.

Speaking at the launch at the Credit Union's Victoria Park base, Mayor of Bridgwater ,Cllr Leigh Redman said:

"This promotion is open to all Somerset residents and will help local people start saving. Together we are biting back against the loan sharks and making them pay."

## ACE Annual General Meeting 2021



The ACE AGM for 2021 was held via Zoom on the 27<sup>th</sup> October 2021. Twelve ACE members attended the Virtual AGM with a total of twenty delegates participating. AGM delegates heard from our auditor David Adams that ACE was still in a strong financial position in spite of making a small operational loss of £1k.

The Directors report told members that ACE had introduced two constructive initiatives during the year through a "Buddying-Up System" (BUS) to link members with expert knowledge of regulatory and operational issues and a "Directors Link" initiative which links ACE members to an ACE Board member other than the CEO.

ACE CEO Bill Hudson said that it had been another challenging year which had been dominated by virtual meetings due to the ongoing Covid-19 pandemic. He went on to say that the National Credit Union Liaison group, made up of all the UK trade bodies had been meeting regularly to discuss key credit union issues. This had included meetings with HM Treasury to discuss the proposed changes to the Credit Unions Act 1979 that will increase the number of services that credit unions will be able to offer including credit cards, HP agreements and Insurance brokering products.

Delegates decided that the next ACE Conference and AGM will be held in Birmingham in May 2022.



