

London Mutual
Credit Union



Newsletter
Spring 2018

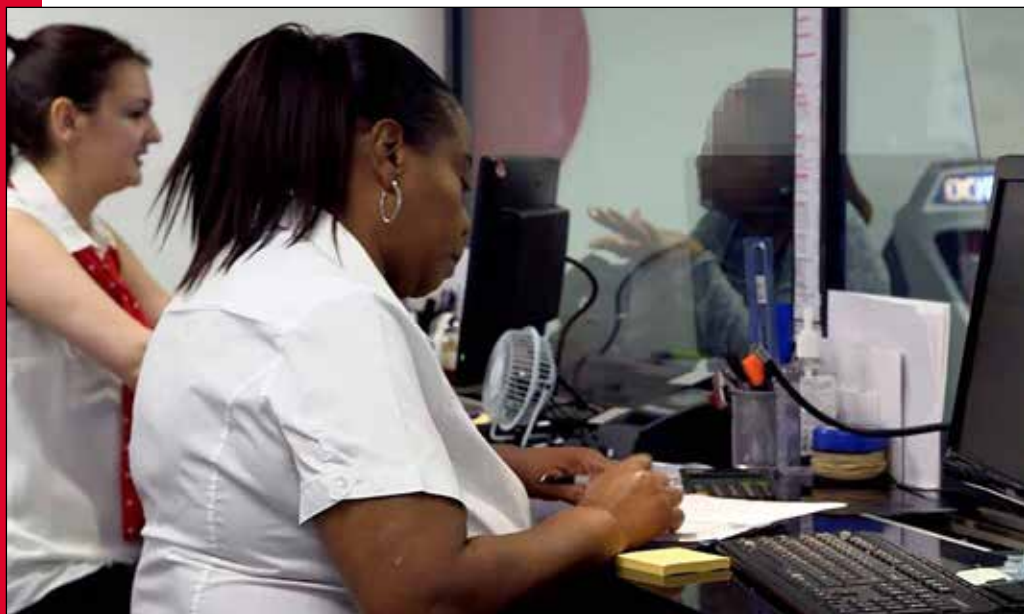


A Matter of Life & Debt

Last October LMCU staff and members featured in a daily prime time series called A Matter of Life & Debt on BBC1.

The series highlighted some of the work credit unions and community financial groups up and down the country are doing to help their members.

It's not always easy for some of our members to access fair and ethical financial services and the series showed how important this can be and the difference it makes to their daily lives.



We aim to offer a range of products and services to suit our diverse membership: easy savings by direct debit, card payment, or straight from your salary if your employer offers the payroll deduction facility; a current account with ATM and debit card; affordable and ethical loans to suit everyone, from a small loan to buy school uniforms to a homeowner loan for a dream kitchen.

Coming Soon

You're probably as fed up with us harping on about this as we are with seeing so many of our members using 'weekly pay' shops like Brighthouse.

So later this year we're planning to offer you an alternative – an affordable way of spreading the cost of furnishing your home and getting the essential appliances that you need. We'll let you have full details as soon as possible.

In the meantime, before you sign up, compare the cost of a small loan from us that means you can shop around for the best price.



Camden Branch

It is with great regret that we have come to the decision to close our branch in Camden at 347 Royal College Street with effect from 22nd June 2018.

The decline in the number of members using the branch, increased costs, and the development of our online and mobile banking facility, means that it is no longer viable for us to maintain the services in this branch.

The nearest branch for Camden members will be either 177 Walworth Road Branch, London SE17 1RW [nearest tube from Camden Town to Elephant & Castle on the Northern Line] or 10 Acre Lane Branch, London SW2 5SG [nearest tube from Euston to Brixton on the Victoria Line].

All our services are available online and if you need assistance to register for the online services or any other information, please call 0203 773 1751 to speak to one of our team.





You may have heard talk on the news about GDPR – General Data Protection Regulation – here is a short guide to explain how it could affect you:

It's the biggest change to UK data privacy law in 20 years

Thanks to technological advances, the amount of personal data being generated is rapidly increasing – every time you shop online, use your favourite app or 'like' a photo on Facebook you generate data – which is why the law needs updating to better protect people. All companies have to review how they manage all personal data – from customer email addresses to employee bank details – and ensure they are GDPR-ready by 25th May 2018.

It will give you more control over your personal data

GDPR is all about giving you more control on how your personal data is used. You'll have greater visibility and control over the personal data organisations hold about you – whether it's something as simple as your name, or as complex and sensitive as medical information. This means you can have greater confidence that information about you is accurate, up-to-date and properly managed.

You can choose who contacts you, and how

Over the coming months you'll probably notice a lot of organisations asking for your consent so they can contact you about offers, products or services they think you'll find useful or interesting. To comply with GDPR, these requests need to be really clear and straightforward. You get to choose who contacts you and how, for example by email, social media or phone.

You can change your mind at any time

If you give an organisation permission to contact you, it doesn't mean you can't change your mind in the future. Under the new rules, it should be easier to update your preferences on what you want to receive and how.

Your data will be better protected

GDPR also aims to make sure that all organisations holding personal data have the right processes in place to protect it. Organisations who put customer data at risk will face hefty penalties.

What happens next?

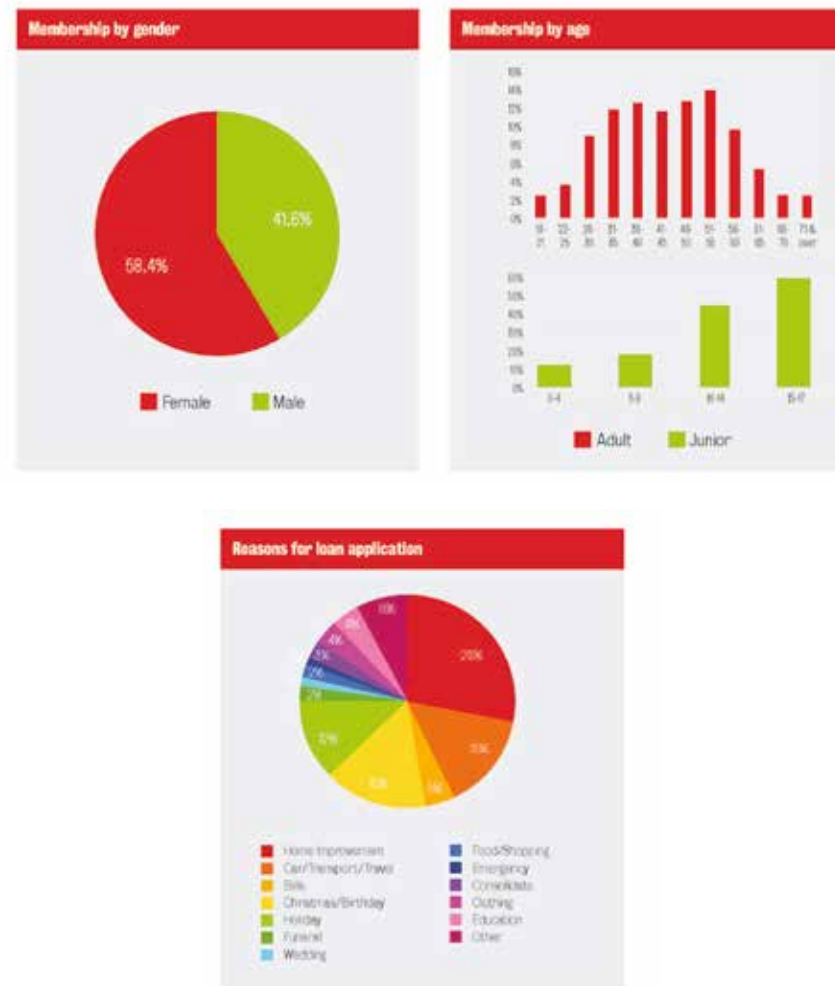
As a London Mutual Credit Union member, we'll soon be asking you to choose how you'd like to receive updates from us on features, products and offers. For example, if you use Online Banking or our mobile app, you'll soon be asked to make your choice. There will also be other opportunities when you speak to us in the coming months to let us know your preferences.

Our members

When we're putting the Annual Report together each year it's always interesting to see how our membership is progressing and to get a breakdown of what you're borrowing for from your credit union.

At the end of our last financial year we had 26,408 adult members and 2,976 junior members, with an age range that covers new-borns to the over 70s; we have more female members than male; and you come to us for a loan for a wide range of reasons.

We've been serving the local community for almost 36 years and we're very proud that we can help in both the happy and sad times that we all face.



A word about your memorable word

When we introduced the new banking system at the end of 2016, every account was allocated a memorable word. You will need your memorable word if you phone the Help Desk and you may be asked to confirm 2 or 3 digits of it when you come to a branch for any transactions on your account.

If you don't know your memorable word, or to change it to something that you will remember, you can log in to our on-line service if you are registered and send a secure message (please include your membership number in the message as an added level of security). You can also ask in branch and your memorable word can be sent by text to the mobile number we have registered on your account.

If you don't know your memorable word you will be asked to provide ID by branch staff – we can accept a passport, driving license, signed bank card or a current letter from DWP. It is much quicker and more secure if you remember your memorable word for branch transactions.

Please remember – we won't ask you for the full word, just 2 or 3 digits, and it is very important that you don't disclose your memorable word to anyone else.

Stay safe at the cashpoint

If possible, use a cash machine inside a bank or shop – if that's not possible, check the cash machine every time you use one and look out for

- a wobbly or bulky part that doesn't seem to belong with the machine, such as a cover over the card slot or a loose keypad
- be cautious using a 'standalone' machine, rather than a 'hole in the wall' embedded in the front of a building
- if the machine retains your card then advise your bank immediately so that the card can be cancelled
- purchases or withdrawals appearing on your account that you don't remember making – contact your bank immediately
- be aware of what's going on around you and watch out for anyone standing too close, or trying to distract you and attract your attention
- always cover your PIN

If you're not sure or uneasy about anything then cancel the transaction and get your card back, and walk away.



Make the most of your money

Some of our members haven't got the message yet and are still pouring money down the drain!

Loyalty is admirable, but before you just go to your usual bank for a loan, or use your credit card for a big ticket purchase, check out our rates – we can be up to 12% cheaper than the high street banks.

For example, on a £3,000 loan over 24 months:

	APR	Monthly Repayments	Total Interest
TSB	25.9%	£157.40	£780.00 *
Barclays	22.9%	£153.86	£692.63 *
National Westminster	19.9%	£150.19	£604.56 *
HSBC	18.9%	£148.96	£575.04 *
London Mutual CU	13.68%	£142.48	£420.47

*Source – Money.co.uk 24.01.18

It's easy and straightforward to apply for a loan via our website, where you'll find full details of all our loan products.

Dividend

At the AGM on 2nd March 2018 no dividend was declared for adult members for the financial year 1st October 2016 to 30th September 2017.

Junior Account and Child Trust Fund Dividend

We have paid a 1% dividend on our Junior Accounts and Child Trust Fund Accounts this year, so this is a good time to open a savings account for your young family.

We want to encourage our young members to save and see their money grow, so will always pay the best possible dividend on Junior and Child trust Fund accounts, depending on the profit of the credit union.

ISA

We are not opening any new ISA accounts this year, but if you have an existing ISA with the credit union, you can deposit up to £20,000 for 2018/19 and the new ISA interest rate will be 0.01%AER.

Help us to keep your accounts secure

If you get an email or a phone call about any of your credit union accounts, please remember these eight things LMCU will never ask you to do

- Ask for your full PIN or any online banking passwords over the phone or via email
- Send someone to your home to collect cash, bank cards or anything else
- Ask you to email or text personal or banking information
- Send an email with a link to a page which asks you to enter your online banking log-in details
- Ask you to authorise the transfer of funds to a new account or hand over cash
- Call to advise you to buy diamonds, land or other commodities
- Ask you to carry out a test transaction online
- Provide banking services through any mobile apps other than LMCU's official apps

SMS text services

Why not use our text services – the only cost to you will be your provider's cost for the message you send to us.

- **Need to know your balance?** Text **bal** to 80011 and we'll text you straight back
- **Want to apply for a revolving loan?** If you're set up for the revolving loan facility, text **rev**, a space and the amount you want to borrow – for example **rev 400** – to **60060**
- **Want to know if you are eligible for another loan?** Text **canitopup** to **60060** and we'll text you straight back to confirm

We're also working on a revolving Pay Day Loan facility that you will be able to access by text, without having to enter your details each time. We'll let members know when this is available.

Remember...

Debit card payments

You can use your debit card to make payments to your credit union account – for savings or to make an extra payment off your loan – remember, there are no penalties for paying a loan off early. Just visit our website and click on card payments.



Visit us on Facebook and Twitter

If you are on Facebook then please visit our page for all the latest news and don't forget to 'like' us!



Important information about compensation arrangements

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a credit union is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme. In respect of deposits, an eligible depositor is entitled to claim up to £85,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000 each (making a total of £150,000). The £85,000 limit relates to the combined amount in all the eligible depositor's accounts with the credit union, including their share of any joint account, and not to each separate account. For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website <http://www.fscs.org.uk/> or call 0800 678 1100.

If you wish to receive the complete set of accounts together with our Annual General Meeting reports please email us to info@creditunion.co.uk or write to us at LMCU, 4 Heaton Road, London SE15 3TH.

Detailed Revenue Account for the Year Ended 30 September 2017		
	2017	2016
	£	£
Income		
Interest income on loans	2,098,403	2,389,454
Interest income on bank deposit	50,385	20,112
Fees and commissions receivable	638,329	461,185
Other operating income	110,152	109,421
Expenditure		
Employee benefits expense	1,523,157	1,332,560
Other expenses	21,464	34,265
Fees and commissions payable	725,048	461,219
Regulatory costs	15,625	15,505
Insurance	10,369	8,761
Rent and rates	109,470	148,656
Light, heat and power	35,068	24,918
Insurance	(1)	-
Officer service costs	35,486	31,773
Other admin costs	65,971	100,344
Member communication and advertising	157,607	146,646
Legal, professional and credit costs	95,082	91,109
Computer costs	70,674	99,914
Depreciation and amortisation	249,005	177,519
Loans written off	17,316	115,334
Written off provision movement	200,906	377,708
Doubtful debt provision movement	12,199	(122,498)
Bad debt recovered	(20,761)	(8,135)
	3,323,685	3,035,598
Operating Surplus / (Deficit)	(426,416)	(55,426)
Deficit before tax	(426,416)	(55,426)
Corporation Tax	(14,966)	(7,685)
Deficit for the financial year before dividend	(441,382)	(63,111)
Distributions	(9,239)	(108,183)
Deficit for the financial year after dividend	(450,621)	(171,294)

Balance Sheet as at 30th September 2017		
	2017	As restated 2016
	£	£
Assets		
Cash and balances at central banks	204,030	238,293
Loans and advances to banks	11,002,072	10,892,075
Loans and advances to customers	10,031,670	10,638,118
Intangible assets	670,637	495,288
Tangible fixed assets	2,232,116	2,375,305
Prepayments and accrued income	184,240	121,966
Total assets	24,324,765	24,761,045
Liabilities		
Customer accounts	21,476,745	21,412,033
Other liabilities	184,746	75,058
Accruals and deferred income	262,453	422,512
	21,923,944	21,909,603
Other reserves	1,128,709	1,154,133
General reserve	1,272,112	1,697,309
Total reserves	2,400,821	2,851,442
Total liabilities	24,324,765	24,761,045



Stop Press

Our Camden office at 347 Royal College Street will close with effect from 22nd June 2018 – please see page 3 for further information

Vote for us !!!!

We have been shortlisted for this year's Co-operative of the Year Awards.

Please vote for us at

www.uk.coop/COTY_Shortlist

We'd really appreciate your support, and your family and friends can vote too.

London Mutual Credit Union
Limited

General enquiries:

Telephone: 020 7787 0770

Fax: 020 7277 8755

Email: info@creditunion.co.uk Website:
creditunion.co.uk

Branches and opening hours:

4 Heaton Road
Peckham
London SE15 3TH

177 Walworth Road
Elephant & Castle
London SE17 1RW

10 Acre Lane
Brixton
Lambeth
London SW2 5SG

Opening hours are:

Monday to Friday -9.30am to 4.30pm

Walworth Road only: Saturday 09.30am
to 1.30pm

London Mutual Credit Union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FRN 213248)



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