

# Newsletter

Spring 2017



**London Mutual**  
Credit Union

# News update

## New banking system

As most members will be aware, we introduced our new banking system in November last year.

The Co-operative Bank used to provide a banking platform for credit unions, and when they decided they were not going to continue this service we were faced with a tough decision - either to stop offering a current account for our members, or to develop our own banking platform.

This was a massive undertaking and regrettably we did experience some issues in the initial stages of the new system. While these didn't affect all our members, we do apologise for any inconvenience you may have experienced.

The new banking system is now operating fully and has lots of new features – see page 4 for more details.

Going forward, the new system will enable the credit union to develop and introduce improved products, better access to services, take advantage of new technologies, but most of all to continue to offer safe savings, loans and current account services, now and in the future.



## Overdraft Facility

A new feature on our current account is an overdraft facility for eligible members.

If you think a small overdraft will help you to manage your money better, and if you're over 18, have been a member for at least six months and receive a regular payment of a minimum of £500 a month to your current account, you can apply in branch or by sending an email to [info@creditunion.co.uk](mailto:info@creditunion.co.uk)

For fees and Terms & Conditions please visit the Current Account page on our website, or request a booklet in branch.

## Phishing? Smishing?

What's the difference? One comes by email and one comes by SMS, but they both have the same aim – to steal your information and your money.

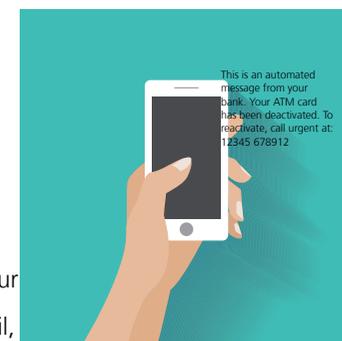
The ways criminals are trying to get into your accounts are becoming more and more sophisticated – emails look as if they have come straight from your bank – all the right colours and logos – and a text will come as part of a 'chain' of genuine looking text messages from a bank.

Cold callers will tell you there's a problem with your account and ask you to call your bank – you put the phone down, but they stay on the line, so when you pick up and dial you are still connected to them and they

pretend to be your

Whether by email, get your account details, passwords, ask you to give them access to your on-line account and set up a new password.

It's not easy to spot it's a scam, but don't be flustered in to giving any details – stop and think and if you're not 100% sure then stop the contact, whether by email, text or phone, and contact your bank directly. If you've received a cold call, wait until you have a dialling tone or use another phone to make sure you're not still connected to the fraudsters.



Use these simple tips to avoid getting caught out:

- Use the telephone number on the back of your bank card, or usual bank website address to contact your bank
- Never disclose security details, such as your PIN or full password - it's never right to reveal these details and your bank won't ask for them
- Never allow anyone to remotely access your computer
- Don't assume an email or text request or caller is genuine - people aren't always who they say they are
- Don't be rushed – a bank or genuine organisation won't mind waiting to give you time to stop and think
- Listen to your instincts – if something feels wrong then it is usually right to pause and question it
- Stay in control – have the confidence to refuse unusual requests for information

If you're told there's a problem with your account the first thing you want to do is sort it out, but follow these tips to keep your accounts safe and pass them on to anyone you think may be vulnerable.

For more details of how to protect yourself go to [scamsmart.fca.org.uk](http://scamsmart.fca.org.uk) or call 0800 111 6768. Report scams to Action Fraud at [actionfraud.police.uk](http://actionfraud.police.uk) or call 0300 123 2040

## Want to say good bye to bank charges?



With an **LMCU E-account** you can be in control of your own finances.

If you are currently paying bank charges for returned direct debits or standing orders and also paying hefty overdraft fees, the **LMCU E-account** could be for you.

**E-account** is a current account that offers all the functionalities without any card. It is mainly designed to help you manage your bills and other activities online and what's more our **E-account** is free.

How it works:

1. Open an **E-account** with LMCU and get your account number and sort code
2. Add up all your monthly bills **[say £850]**
3. Inform your suppliers, such as your gas / electricity / mobile / mortgage provider that you want to use this account number / sort code to pay bills.  
We can give you a sample letter to send to your suppliers or simply call them to amend their details with your new **LMCU E-account** number.
4. On your payday transfer the total of **£850** to your **LMCU E-account**
5. Now sit back and think how to spend the 100s of pounds that you saved by not paying bank charges.



## Our New Banking System

This is in now place and members are able to take advantage of the new features of their current account, including:

- Live account balances – you can check your share or current account balance online, on your mobile, via text message or over the phone – you will receive the up-to-date live balance
- Instant transfers – all transfers you request either online or in branch will be done via faster payment; this applies to transfers to your credit union account as well as to external bank accounts
- Various types of current account with different features to help you stay in control of your money
- Teen current account – young people are important for the future of the Credit Union and this current account specially designed for teenagers will help our young members to learn how to manage their finances from an early age and achieve financial independence.
- Contactless debit cards\*
- Overdraft facility\*
- SMS warning message if you don't have enough funds to cover a direct debit or standing order – this gives you the chance to transfer funds and avoid bank charges
- Improved online and mobile services

*\*subject to eligibility and our Terms and Conditions*

We know that some members had problems in signing up for the on-line service, because of the added level of security through a set of online passwords and security data, but once this has been set up the on-line system is easy to use and more secure.

There is a helpful video on the CUONLINE BANKING page of our website, and a handy step-by-step guide, but if you do experience difficulties in registering just send an email to [info@creditunion.co.uk](mailto:info@creditunion.co.uk) and one of our IT team will be able to help you.

## Why can't I see my savings when I check my account?

Since the switch over to the new system a lot of members have asked why they can't see their savings when they check their balance online.

As you know, you can't withdraw savings while you have an outstanding loan and the system puts a 'block' on your savings if you have a loan. When you are in the Online Banking system, just click on 'Membership' account and you will be able to see your savings balance.

## Teen Current Account

Our Teen Account is specially designed for young people aged 13 to 18 to help them achieve financial independence and learn how to manage their finances from an early age.

The account is free of charge and our young members will receive a debit card, which they can use online, at retail outlets and Link ATM machines within the UK, also free of charge.

This will allow them to have easy access to their pocket money and at the same time teach them to deal with money in a responsible way.

For full details of this and all our current accounts visit our website [creditunion.co.uk](http://creditunion.co.uk)

## School Savings Clubs

We're delighted to welcome three new schools who have introduced School Savings Clubs - St. Peter's of Walworth CoE Primary, St. John's Walworth CoE Primary and St. James the Great RC Primary in Peckham.

Pupils will be able to open accounts, pay in cash – or their Southwark Smart Saver voucher – and get the savings habit early. We'd be delighted to hear from any school interested in opening a Savings Club.



## Southwark Smart Savers

Southwark Council are continuing their successful campaign to get 11 year olds in Southwark to start saving and have increased the amount of the voucher to £20 to open a London Mutual Credit Union account.

Make sure you use the voucher, as this is a great way to encourage youngsters to save and get the savings habit.

Southwark Smart Savers will give them a sound financial base by teaching them about money matters, budgeting, savings and handling cash.

To open a Young Saver account, just come to any branch with the voucher, a birth certificate or passport for your child, and proof of your ID and address to open an account (not required if you are already a member of the credit union yourself). If your child has an existing credit union account they will be able to deposit the voucher to that account.

Don't miss this opportunity from Southwark Council to start teaching your child good financial habits that will last them a life time.

For more details visit: [southwarksmartsavers@southwark.gov.uk](mailto:southwarksmartsavers@southwark.gov.uk)



## Help us to help you

We realise that when the branches are busy it is hard to maintain privacy at the counter. Please help us by completing all forms thoroughly before you hand them in, so that we don't have to ask for sensitive information at the counter.

And if you need a balance, why not use our

text service and text **bal** to **80011** and we will text you straight back. The only cost to you will be your provider's cost for the text message you send to us.

Or you can register for on-line banking and download the app to keep you up to date when you are out and about.

# Money Matters

We're making no apologies for repeating ourselves – please think twice before buying goods in a 'weekly pay' shop.

A straightforward washing machine can cost over £1,500 pounds – you can get a similar appliance on the high street for under £300. Why waste £1,200 ????



You can apply for a loan from the credit union and use that money to shop around and get the best deal and save yourself a huge amount of money that you can spend on something else.

One of our members was in just this position recently – the washing machine she had (almost) signed up for cost over £1,400. We gave her a loan of £320 and she got a same quality machine, delivered, installed and the old one taken away.

Before you sign on the dotted line talk to your credit union.

## Dividend

At the AGM on 3rd March 2017 the members present agreed to the proposal that no dividend would be declared for adult members for the financial year 1st October 2015 to 30th September 2016.

## Junior Account and Child Trust Fund Dividend

We have paid a 2% dividend on our Junior Accounts and Child Trust Fund Accounts this year, so this is a good time to open savings account for your young family.

The dividend can vary from year to year, depending on the profit of the credit union, but we want to encourage our young members to save and see their money grow.

## 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 2017/2018 and the new ISA interest rate will be 0.1%AER.

## Look behind the headline loan interest rate high street banks offer

Are you planning a holiday? Home improvements? If you need a loan to get you where you want to be, then compare our loans to the high street banks.

If you go to Barclays for a £3,000 loan over 24 months, their APR is 22.9%pa – ours is 13.68%pa\*

Their monthly repayment is £153.86 – ours is £142.48

Their total interest on this loan is £692.63 – ours is £420.47

Your credit union is not only local, but better at helping you get what you need with affordable and ethical loans, with no set up fees or penalties for early repayment.

You can apply on-line or in branch.

\* Source [barclays.co.uk](http://barclays.co.uk) (accessed 02.05.17)

## 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.



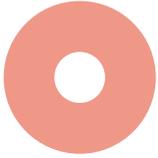
# Auditor's Report

## Extract from London Mutual Credit Union Limited audited accounts

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](mailto: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 2016		
	2016	2015
	£	£
Income		
Interest income on loans	2,389,454	2,514,187
Interest income on bank deposit	20,112	35,049
Fees and commissions receivable	461,185	439,988
Other operating income	109,421	119,536
	<b>2,980,172</b>	<b>3,108,760</b>
Expenditure		
Employee benefits expense	1,332,560	1,202,959
Other expenses	34,265	13,200
Fees and commissions payable	461,219	458,977
Regulatory costs	15,505	22,340
Insurance	8,761	-
Rent and rates	148,656	65,219
Light, heat and power	24,918	29,366
Officer service costs	31,773	25,410
Other admin costs	100,344	87,477
Member communication and advertising	146,646	120,686
Legal, professional and credit costs	91,109	71,863
Computer costs	99,914	68,384
Depreciation and amortisation	177,519	149,837
Loans written off	115,334	-
Written off provision movement	377,708	-
Doubtful debt provision movement	-122,498	273,158
Bad debt recovered	-8,135	-27,691
	<b>3,035,598</b>	<b>2,561,185</b>
Operating Surplus / (Deficit)	-55,426	547,575
(Deficit) / surplus before tax	-55,426	547,575
Corporation Tax	-7,685	-9,170
(Deficit) / surplus for the financial year before dividend	-63,111	538,405
Distributions	-108,183	-115,788
(Deficit) / surplus for the financial year after dividend	-171,294	422,617

Balance Sheet as at 30th September 2016		
	2016	As restated 2015
	£	£
<b>Assets</b>		
Cash and balances at central banks	238,293	110,810
Loans and advances to banks	11,090,592	10,473,561
Loans and advances to customers	10,638,118	10,882,462
Intangible assets	495,288	84,873
Tangible fixed assets	2,375,305	2,166,836
Prepayments and accrued income	121,966	55,939
<b>Total assets</b>	<b>24,959,562</b>	<b>23,774,481</b>
<b>Liabilities</b>		
Customer accounts	21,610,550	20,297,681
Other liabilities	75,058	70,480
Accruals and deferred income	422,512	383,584
	22,108,120	20,751,745
Other reserves	1,154,133	1,463,225
General reserve	1,697,309	1,559,511
Total reserves	2,851,442	3,022,736
<b>Total liabilities</b>	<b>24,959,562</b>	<b>23,774,481</b>



## Stop Press

If you think a small overdraft will help you to manage your money better, see page 2 for details of our new current account overdraft facility.

When you receive your Credit Union statement of Savings and Loans you will see that it will start from the date we introduced the new system in November 2016.

If you need details prior to that then please let us know.

## London Mutual Credit Union Limited

General enquiries:

Telephone: 020 7787 0770

Fax: 020 7277 8755

Email: [info@creditunion.co.uk](mailto:info@creditunion.co.uk) Website: [creditunion.co.uk](http://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

347 Royal College Street  
Camden Town  
London NW1 9QS

### 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)