

Cross-Party Group on Credit Unions

Minutes of the meeting held at 6.15pm on Wednesday 19th June 2013 in
Committee Room 4, The Scottish Parliament

Present

John Wilson MSP (Convener), Anne McTaggart MSP (Deputy Convener), Margaret McDougall MSP, Frank McKillop (Secretary), Kyla Brand (Office of Fair Trading), Trisha Butler (Drumchapel Community CU), Alice Connelly (Wishaw CU), Marie Coyle (Ayrshire CU), Sandra Cumming (Dunedin Canmore Housing Association), Alison Dowling (Glasgow CU), Anne Feeney (Pollok CU), Kelly Gallagher (Money Advice Scotland), James Graham (SAOS), Karen Graham (Renfrewshire Wide CU), Angela Hampson (ABCUL), Christine Harris (Drumchapel Community CU), Donald Jarvie (Scotland's Future Forum), Robert Kelly (NHS CU), Carol Kerr (Ayrshire CU), Jane Lees (Scottish Government), Mark Lyonette (ABCUL), Iain MacGillivray (West Lothian CU), Nancy MacGillivray (ACE), John Mackin (The Transport CU), Fiona Malcolm (Scottish Government), Paul Manning (DWP), Sheila Maxwell (Link Group), Iain May (Water of Leith CU Study Group), John McGowan (Accountant in Bankruptcy), Carol McHarg (1st Alliance (Ayrshire) CU), Robbie Mochrie (First Scottish University CU), Dermot O'Neill (SLCU), Eddie Percy (Glasgow City Council), James Proctor (Co-operatives UK), Graham Russell (Dunedin Canmore Housing Association), Charles Sim (Scotwest CU), Alex Spence (Capital CU), Jim Suddon (Capital CU), Graham Vance (Scottish Business Resilience Centre)

Apologies

Jackie Baillie MSP, Claudia Beamish MSP, Kezia Dugdale MSP, Neil Findlay MSP, Patrick Harvie MSP, Jim Hume MSP, James Kelly MSP, Jenny Marra MSP, Mary Scanlon MSP, Drew Smith MSP, Maureen Watt MSP, Emma Balfour (Citizens Advice Scotland), Allison Barnes (Money Advice Service), Norman Crawford (Water of Leith CU Study Group), Bobby Gould (CUNA Mutual), Mary Henderson (Credit Union Foundation), Tom Kelly (Johnstone CU), Murdo Macdonald (Church of Scotland), Stuart Ramsay (The Co-operative Group), Joe Reilly (Shettleston & Tollcross CU), Mark Ringland (RBS), Ann Robertson (1st Alliance (Ayrshire) CU), Omar Shaikh (Islamic Finance Council), Aidan Tyrrell (Consultant), Donald Urquhart (Capital CU), Alison Wright (West Lothian CU), Andy Wright (1st Class CU)

- 1 The Convener welcomed all to the meeting.
- 2 Attendance and apologies were noted as above.
- 3 Minutes of the meeting held on 19/03/13 were read and amended to show Alison Dowling had attended on behalf of Renfrewshire Wide CU. Minutes as amended were moved as correct by Trisha Butler, seconded by Alison Dowling, and agreed.

There were no matters arising

- 4 Mark Lyonette (ABCUL Chief Executive) gave a presentation on the Credit Union Expansion Project (CUEP), followed by an extensive discussion. Points made included:
 - The strength of cross-party support for credit unions is very encouraging;
 - Collaboration and co-operation between credit unions is a key feature of many successful national credit union movements;
 - Collaboration can reduce back office costs, manage and reduce bad debt, and therefore cut the cost of lower-value loans for consumers;
 - CUEP is not all about focusing on lower-income consumers, but will help credit unions to have a much more competitive offering for the average and higher-income end of the market too;
 - Credit unions must understand who uses their services, who might be attracted to their services, and what their expectations are – especially younger consumers;

- Competing with other financial services providers and even staying relevant requires credit unions to modernise, but CUEP is not just an IT or banking project;
- CUEP can be an opportunity to create a vibrant alternative to banks and to offer the sort of relationship-based banking which has fallen away in recent years;
- People trust credit unions to work in their interests, but don't necessarily trust credit unions to deliver high quality products – CUEP can provide the missing link;
- Competition with payday lenders is not about offering a *faster* loan, but a *better* loan and a better all round service – but this still requires many credit unions to make quicker lending decisions where responsible and viable;
- The importance and value of saving with a credit union should not be forgotten, and CUEP aims to increase savings as well as lending;
- There may be a role for the Scottish Government to encourage more public, private and third sector employers to promote credit union membership and offer payroll deduction;
- Consistency of service among credit unions can build consumer confidence in the movement;
- There are no plans to standardise credit union branding as most credit unions wish to maintain a unique image and local focus;
- Smaller credit unions should not be squeezed out or left behind by CUEP; in fact, many smaller credit unions in the USA survive as independent enterprises precisely because they are able to share services with other credit unions;
- The credit union sector cannot move at the pace of the slowest, and innovation and professionalism should be welcomed;

The Convener thanked all for their contributions to a lively discussion.

5 There was no other business raised.

6 The next event held by the CPG will be a reception for International Credit Union Day on 09/10/13.

CPG members and stakeholders were invited to suggest topics for future meetings. It was agreed to invite the Minister for Energy, Enterprise and Tourism to address a future meeting and to consider inviting other Ministers as issues require.

7 The Convener thanked all for their attendance and closed the meeting.