

## Part of a worldwide Movement

Hull and East Yorkshire Credit Union is one of over 500 credit unions in Britain.

Credit Unions operate according to principles laid down by the World Council of Credit Unions. These principles are founded in the philosophy of **co-operation**, with its central values of equality, equity and mutual self-help.

At the heart of these principles is the concept of personal development and the fellowship of human beings expressed through **people working together** to achieve a better life for themselves and their community.

**Our principles** may be summarised as:

- **Open and voluntary membership**
- **Democratic control** – one member, one vote
- **Non-discrimination** – in race, nationality, sex, religion, politics
- **Service to members** – to improve their well-being
- **Distribution of surplus profits** – via dividends and better services
- **Financial stability** – setting aside adequate reserves
- **Education of members**, employees and the general public – in the wise use of money and management of their finances
- **Co-operation among co-operatives** – pooling resources
- **Social responsibility** – supporting social justice and community life.

Hull & East Yorkshire Credit Union is founded on these basic principles and is proud to be a member of the international community of credit unions.

HEYCU is a member of the **Association of British Credit Unions** (ABCUL), which provides many common services to help quality credit unions to grow and prosper. Since 2002 it has also been regulated by the **Financial Services Authority**. This is good news for our members, whose savings are protected by the **Financial Services Compensation Scheme** (FSCS) in exactly the same way as deposits in banks and building societies are. Thus, if a credit union goes out of business, the FSCS refunds 100% of the first £2,000 of savings and 90% of the next £33,000.

Other safeguards for members are that they elect a **Supervisory Committee** at the AGM to check that the credit union is running properly and taking care of members' money; by law a fidelity insurance policy must be in place to guard against fraud or theft; and the books must be audited by a professional auditor each year.

### World wide (2005):

42,705 credit unions in 92 countries – 157 million members  
Assets totalling \$895 billion

### Great Britain (2006):

521 credit unions – 881,000 members  
Assets totalling £400 million

### Hull and East Yorkshire Credit Union:

4,500 members and Young/First savers  
Assets totalling £3 million

## Hull and East Yorkshire Credit Union offers:

- **A range of safe and easy ways to Save**
- **Current Accounts**
- **Young Saver accounts** (for the under 16s)
- **Low cost loans**
- **Insurance services**
- **Family Protection Plan**
- **Shopping Vouchers**
- **The Health Scheme**
- **Members' Lottery** (run by HEYCU Friendly Folk)

*To find out more about any of our services, or our branches and contact points, please contact us at:*

**Hull Business Centre, Guildhall Road  
HULL HU1 1HJ**

**Mondays to Thursdays 9.30 to 4.30;  
Fridays 9.30 to 4.00**

**Tel 01482 318518 Fax 01482 318527**

**E-mail: [info@hullandeycu.co.uk](mailto:info@hullandeycu.co.uk)**

**Website [www.hullandeycu.co.uk](http://www.hullandeycu.co.uk)**

### Data Protection Statement

In accordance with Data Protection legislation, we will use your personal details for the purposes of managing your accounts with the Credit Union.

A member can leave the Credit Union at any time provided that any outstanding liabilities are cleared before leaving.

Dividends are only paid to those in membership at the time dividend is declared.

Hull and East Yorkshire Credit Union Limited is authorised and regulated by the Financial Services Authority (Firm reference number 213620), is a member of the Financial Ombudsman Service and is licensed by the Office of Fair Trading.

**This leaflet is also available  
in large print version**

# What is a Credit Union?

**Your local  
Credit Union is  
part of a worldwide  
people's movement  
dedicated to helping  
everyone manage  
their money wisely**



Hull & East Yorkshire  
Credit Union

## What is a Credit Union?

A locally-based financial co-operative, owned and run by its members, to provide them with:

- **Safe and convenient ways to save;**
- **Access to low-cost loans; and**
- **A range of other great value, ethical financial services.**

Because they are owned by the local people who use their services (their members), and not part of a huge impersonal corporation, credit unions tend to know what their members want. Their sole purpose is to **help people** to manage their money wisely and not to make big profits out of them.

Each credit union is set up by people who share a “**common bond**”, that is, they all either:

- **live or work in the same area;**
- **work for the same employer; or**
- **belong to the same association, such as a church or trade union.**

The members of a credit union pool their savings together. Everyone's savings then provide the funds to grant low-cost loans to members. The interest charged is used to cover the credit union's running costs and pay savers a return on their savings.



*First Board of Directors in session – March 1999*

Credit unions are controlled by a volunteer **Board of Directors**, who are elected by the members at the Annual General Meeting. All members of the credit union have one vote to choose the directors and other officers, regardless of the size of their savings. The Directors receive training for their role; they also appoint staff to undertake the day to day running of the business, who report to them regularly on its progress.

The **first credit unions** were set up in Germany in the 1840s and in North America in 1900. Since then the idea has spread all over the world. You can read more about the work credit unions are doing by visiting the website [www.abcul.coop](http://www.abcul.coop)

In recent years, credit unions have made a big contribution to the **regeneration** of local communities and to **reducing poverty**, by helping people who find it difficult to access affordable credit, fair money advice and transactional banking, to become “financially included” for the first time.

## HEYCU – our history and development

Hull and East Yorkshire Credit Union (HEYCU) was established in 1999 as **City of Hull Credit Union (CHCU)**, by a group of Hull City Council employees. Their aim was to set up a business, on co-operative lines, to help them and their colleagues to save and get cheaper loans. Any profit made they would share out as a “dividend” at the end of each year.

Hull City Council, the City's largest employer, agreed to support the enterprise as part of their **anti-poverty and social inclusion strategies**. Councillor Pat Doyle, then Council Leader, who was familiar with the impact of credit unions in Ireland, became a leading supporter.

CHCU was registered in June 1999 and was immediately popular. Members saved painlessly by direct deduction from their pay and soon built up some useful balances. Its enterprising spirit was soon to the fore, with the **first loans** made to local people who wanted to buy shares in their cherished local telephone undertaking (Kingston Communications), when it floated on the Stock Exchange! By the end of year one, over 500 members had joined and managed to save an incredible £300,000, beating all the three-year targets set in the initial Business Plan. At the 2000 AGM **the first ever dividend** – 3% of members' savings – was declared and the 1,000th member joined.

2001 was a busy year, with new services introduced – a **Young Savers Club** for the under 16s, **Family Protection Plan**, **Members' Lottery** and discount **Shopping Vouchers**. CHCU also became an employer for the first time, with one part-time administrator, later moving to full-time. As the year ended, CHCU was recognised as one of the fastest growing credit unions in Britain. Its members were its finest ambassadors:

- *“I've never saved before in my life”*
- *“They help you to get a loan that you can really afford”;* and
- *“It helps to keep money within our local community”*

were just some of the testimonials often on their lips.

Of course CHCU was still only open to Council employees and their immediate families and its office was somewhat buried within the Council's headquarters. However, the legal restrictions on credit unions were now relaxing and the concept of a **county-wide credit union**, able to serve all who live or work there, was emerging in various parts of the UK.

With the promise of start-up support from the two local authorities, and help from other backers and sponsors, CHCU's directors decided to accept the challenge of creating a Hull and East Yorkshire Credit Union, and members voted in favour of this at



*Friendly, caring and confidential service to our members*

## Our progress and partnerships

their 2002 AGM. They now had to convince the Financial Services Authority (FSA) – the new Government regulator of credit unions – that it was a realistic ambition to move from a small employees' credit union to one potentially serving a population of 535,000, so soon in the organisation's life.

HEYCU was registered in March 2004 and a three-year programme began in earnest to roll out credit union services across East Yorkshire. The Central Office moved from Hull Guildhall to a walk-in location at **Hull Business Centre**, sharing its prestigious Queens Gardens address with some of Hull's major institutions – Hull College, the City Treasury, Humberside Police and the BBC!

Employees at East Riding of Yorkshire Council, Bishop Burton College, Goodwin Development Trust, the Ambulance Service and several Housing Associations were able to access HEYCU services.

In 2005 Branches were opened at **Driffield** and **Bridlington** (the latter with help from European Union funding), and the 100 member **Beverley Credit Union** agreed to merge with HEYCU and create another local branch. Work started in partnership with Hull City Council to offer **HomeCheque** 'cashback loans' to homeowners wishing to improve their property.

In 2006, as part of the Government's Financial Inclusion strategy, HEYCU won a major contract with the Department of Work and Pensions to design an affordable credit product to help people on low incomes break free from costly doorstep lenders and “loan sharks”. Our **Freedom Loan** has been a big success, lifting membership from 2,900 to over 4,000 in just a year.

HEYCU also became one of only nine British credit unions to pioneer the **Credit Union Current Account**, which is designed to offer 'better than basic' banking services to members, many of whom have not been well served by mainstream providers.

In just eight years, HEYCU has become a significant local organisation. Now with 12 staff and over 50 volunteers, looking after £3 million of assets, developing new products to meet its members' needs and forging new partnerships all the time, it has truly become **The People's Business of Hull & East Yorkshire**.

### Eight Years of Progress £ '000s

