

# Transforming financial well-being in the workplace

Ethical employee benefits  
from HEY Credit Union



**HEY Credit Union**  
The Fairer Alternative





BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



FINANCIAL  
CONDUCT  
AUTHORITY



Financial  
Ombudsman  
Service



ARMED FORCES  
COVENANT



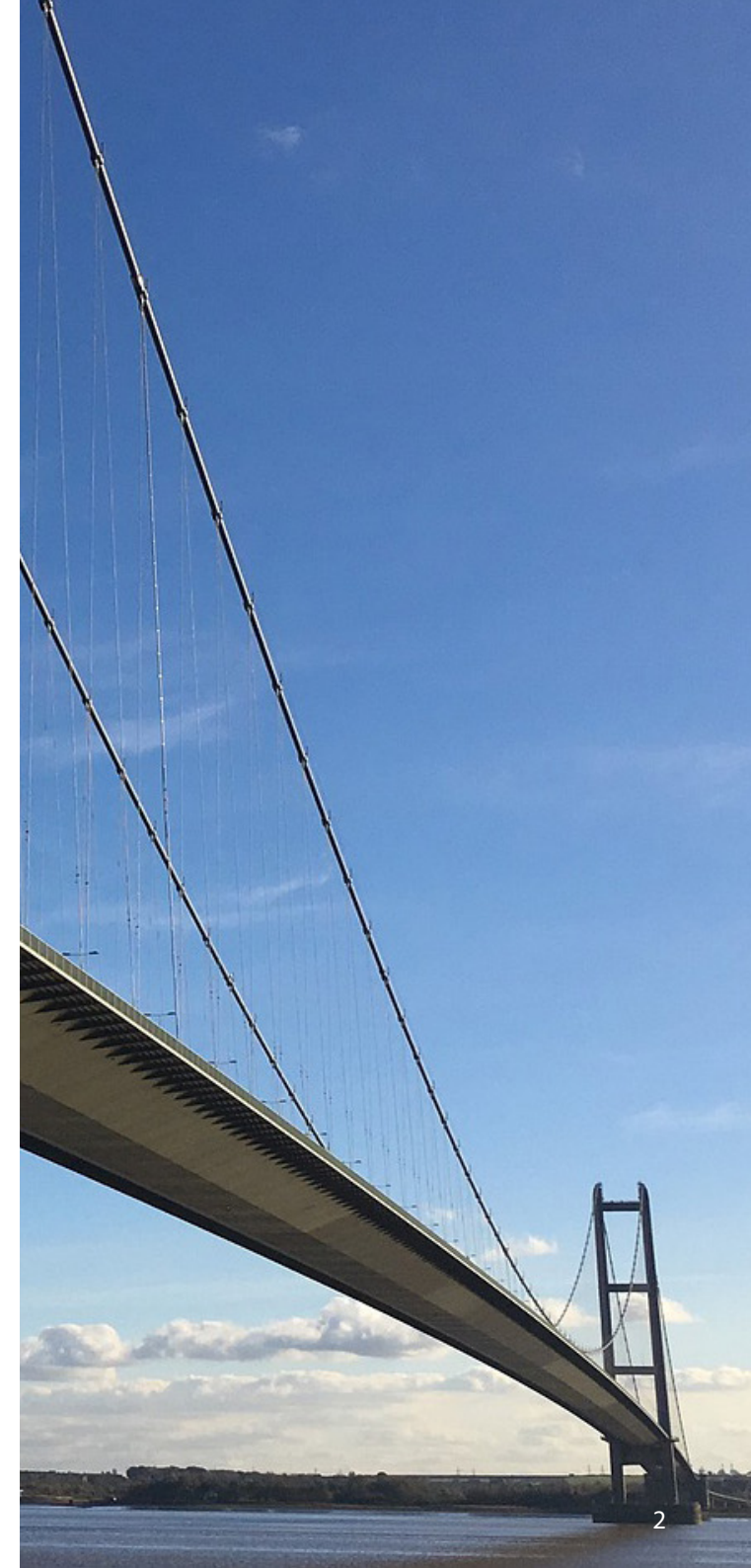
TREATING  
CUSTOMERS  
FAIRLY  
CHAMPION



Trustpilot



HEY Credit Union is authorised by the Prudential Regulation Authority and regulated by the  
Financial Conduct Authority and the Prudential Regulation Authority (FRN 213620)





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“ The savings are taken straight from my wages so I don't even notice it going. It's made Christmas a lot easier.

“ I have found it very easy to increase or decrease my savings, apply for loans tailored to my circumstances and all with the knowledge that even when paying off a loan, my savings were safe and being added to.

“ I use HEYCU through my employer to save into my account and it's so simple. It's really easy to access my savings online when needed. Any time I have called for assistance the staff have been great. Recommend 100%.

“ HEYCU got me into the savings habit – quite an achievement in itself! I pay them from payroll, it's pain free and the modest amount deducted soon added up.

“ I joined HEYCU when I began working for the government, an amount of my choice goes each month from my salary which is there any time I need it and it is amendable on request. The staff have always been very helpful and we even receive dividends at the end of the year. Excellent service.

*Testimonials taken from the Consumer Credit Awards 2021*

# At a glance

## HEY Credit Union Membership is open to anyone living or working in the Humber Region:

- City of Hull
- East Riding of Yorkshire
- North Lincolnshire
- North East Lincolnshire
- Postcode areas YO14, YO17, YO8, DN14, DN21, LN7

*Plus anyone working for:*

- The Department for Work & Pensions
- HICA Group
- Selected housing associations



**Over  
15,000  
Members**

**£16  
million  
Assets**

**Established  
in 1999**

**Fully regulated  
by the FCA and  
PRA, part of the  
Financial Services  
Compensation  
Scheme.**

**Our fascinating history  
can be read here:  
[www.hullandeycu.co.uk/  
our-history](http://www.hullandeycu.co.uk/our-history)**

# Introduction to HEY Credit Union

**HEY Credit Union is an ethical financial provider.**

**We work with employers across the Humber Region and beyond to support financial well-being in the workplace by making it easy for their employees to save regularly and borrow responsibly.**

**As a financial co-operative, we are owned by our members – the people who use our services, with all profits reinvested in our services or returned to members.**

We were founded by Hull City Council employees in 1999, and now serve over 15,000 members in the City of Hull, East Riding of Yorkshire, North Lincolnshire, North East Lincolnshire and further afield.

Through our salary deduction scheme, we make it easy for employees to build their savings, creating financial resilience, and to borrow responsibly at low rates which reflect the reduced risk of repayment direct from salary.

## **Current partners include:**

- Hull City Council
- East Riding of Yorkshire Council
- North Lincolnshire Council
- North East Lincolnshire Council
- Department for Work & Pensions (DWP)
- Bishop Burton College
- East Riding College
- Hull College
- North Lindsey College
- St. Mary's College
- Goodwin Trust
- Humber Bridge Board
- Hica Group
- KWL
- Lebus Upholstery
- NHS Ambulance Services (East Yorkshire)
- Neville Tucker Services Ltd
- ongo/ North Lincolnshire Homes
- ResQ
- South Holderness Resource Centre (SHoRes)
- Wellington Care

# Why financial well-being matters



**Economic conditions in recent times mean that more of us than ever are feeling the financial strain. 6 out of 10 UK workers now report being 'somewhat' or 'very' stressed by their financial situation.**

It is not just an issue for lower paid employees. Higher earners are also struggling with unsustainable levels of credit card debt, while many under 35s report living on their overdrafts, without the security of savings to support them.

Low levels of financial literacy and readily available high-cost debt mean that it's all too easy for colleagues to become financially stressed – regardless of how much they earn.

For employers, the challenge is clear. There is a clear link between financial well-being and employee productivity and retention.

Employees with money worries are likely to be distracted and unable to complete tasks. The quality of their work may suffer, and they may also have difficult relationships with their colleagues. They are also more likely to be looking for a new job.

# The problem

## The problem

**25%** of employees 'regularly' lose sleep over money worries.

**26%** of working age adults have no savings to fall back on.

**60%** of employees report being 'somewhat' or 'very' stressed by their financial situation.

## The impact

**90%** of younger employees say their mental health is affected by the cost of living.

**59%** of employees with money worries say they are not working at their best.

**56%** of employees do not feel comfortable talking about money issues at work.

## The solution

Employees with a regular savings habit are less likely to suffer money worries and more likely to perform well at work.

The latest research\* shows that 72% of employees surveyed would like their employer to offer a workplace savings scheme in addition to a pension.

Over 200,000 workers in Britain already save and borrow with a Credit Union payroll scheme.

Credit unions turn borrowers into savers, with 75% continuing to save regularly after repaying a credit union loan.

*\* The Financial Inclusion Centre – Feb 2021*



# How we help

**At HEY Credit Union, our mission is to improve financial well-being by providing high-quality products with something to offer your whole team, whatever their individual financial circumstances.**

At the core of our offer is a simple 'salary deduction' facility. By partnering with you to offer this service, we make it easy for colleagues to save regularly from their pay, without the inconvenience of direct debits or the temptation to spend it first.

The added security and reduced costs associated with salary deduction mean that we are able to offer borrowing at lower rates, and with greater flexibility than other providers.

This enables us to provide attractive alternatives to credit cards, bank overdrafts and high-cost online and payday lenders.

As an ethical provider, our products are designed for long-term financial health. We encourage borrowers to save at the same time as they repay, building a savings pot as they go along, and to continue regular deductions after the loan itself is repaid.





# What we offer

**Offering a Credit Union Payroll Savings scheme as part of your staff benefits package is a tried and tested way to support your employees' financial well-being, build resilience, foster loyalty and retain your best people.**

It's proven that it's much easier to keep on saving if the money comes out at source and doesn't hit your main bank account.



## Savings

- Membership Accounts
- Christmas Saver Accounts
- Holiday Accounts
- Other ready access accounts
- Junior Savings



## Personal Loans

- Personal Loans
- Family Benefit Plan
- Flexi-Credit
- Matched Loan
- Green Loan
- Debt Consolidation



## Engage VISA Card

The ethical digital account and VISA debit card



Full details of all our products and services are available on our website:

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

# The Benefits

**As a not-for-profit social enterprise, we genuinely believe that what is good for you and your employees can be good for us all.**

Partnering with us as an employer provides a highly-valued employee benefit at next-to-no cost, while contributing to the overall financial well-being of your staff.

And it works for us too. We're actively looking to grow our impact across the Humber Region. For us, a growing and diverse membership provides strong foundations for our work to promote financial inclusion and education throughout the community.

## For you

- A highly-valued employee benefit, with zero cost.
- Improved staff performance and productivity.
- Staff retention and reduced turnover.
- Reputation as an employer of choice.
- Support for a community-based ethical organisation with an excellent record of making a positive impact.

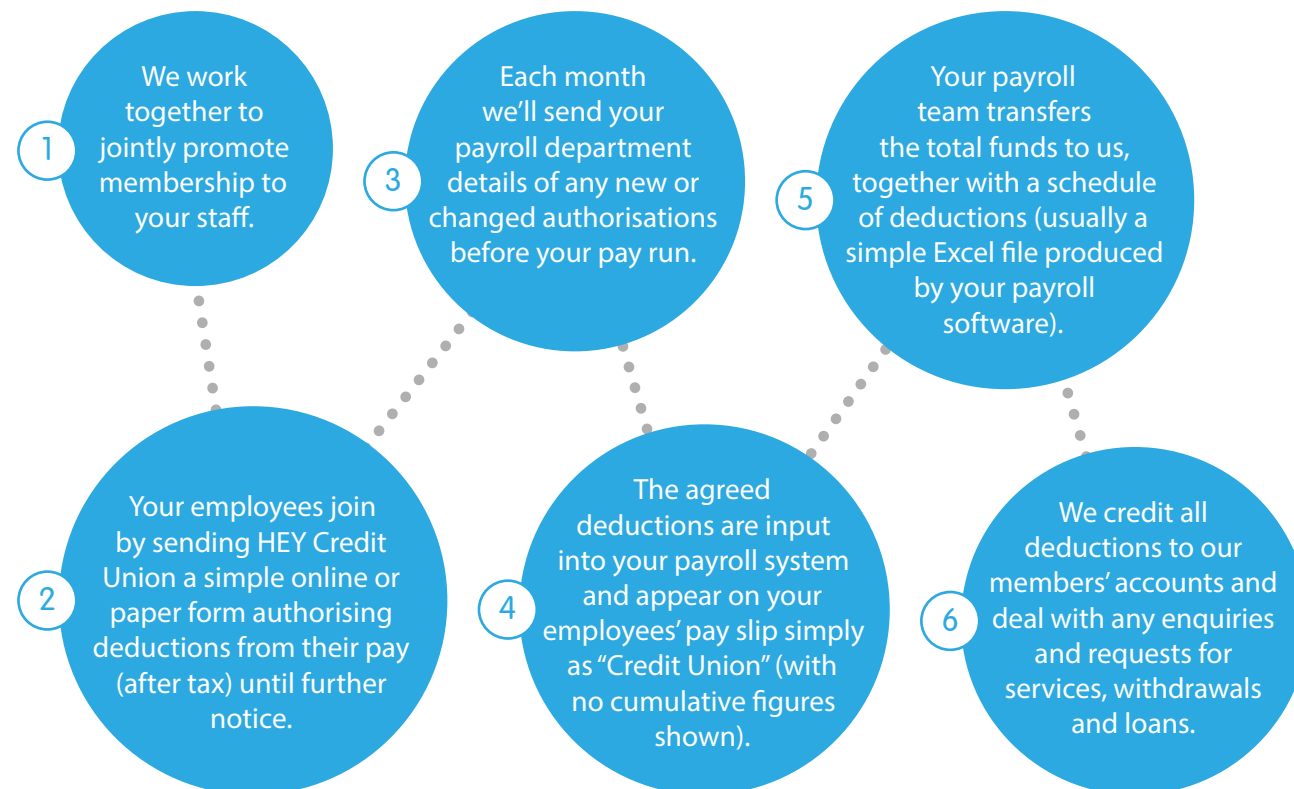
## For your employees

- An effortless way to save on a regular basis.
- Facilitates saving for many reasons – from rainy day safety net to future nest egg.
- Reduced money worries.
- Money saved is fully protected by the FSCS.
- Annual dividend paid to savers.
- Caring and confidential services.
- Should they need to borrow, members can access low-cost, flexible loans from a responsible not-for-profit lender.

# How it works

**Our Payroll Savings partnership has been designed to be extremely simple to operate. We're committed to working with you to make it straightforward to set up and run, with minimal work for your team or payroll provider.**

We can arrange to come and explain how it works, and be on site when you launch the scheme to answer questions. We will support you with all the guidance you need to make it a success.





# Making it a success



## Once established, we are committed to working with you to make the partnership a success.

We'll do the heavy lifting, offering ready-made promotional materials and face-to-face or online opportunities to raise awareness among your staff.

We recommend identifying an employee to serve as a Credit Union Champion. We'll support them to help promote financial education and credit union membership in your workplace. They or another member of your team can also act as our point of contact.

We can offer volunteering opportunities to any staff wishing to broaden their skills. All HEY Credit Union's non-executive Directors are volunteers – their contribution is vital in setting our strategy and monitoring progress. The mutual exchange of skills could benefit our organisations.

## Resources available

Here are some ways that we could work together to maximise employee take-up of the benefit, with resources provided by us:

- A named point of contact and annual review meeting.
- An MOU between us setting out how the partnership will work.
- Printed materials to promote the scheme in staff rooms, canteens or workplace notice boards.
- Digital content for use on social media, articles for in-house newsletters.
- Credit Union staff available for training events, well-being sessions, roadshows or other sign-up events.
- Information/joining forms for new staff on induction.

# Why HEY Credit Union?

**We are different to other salary benefit providers. That's because as a member-owned financial co-operative, we exist to serve your employees, not our bottom line.**

With us, you can be confident that you are working with a provider with the right values, rooted in the community and with your employees' interests at heart.

There are over 300 credit unions in the UK, each serving a distinct community (known in law as our 'common bond').

HEY Credit Union is the leading credit union for people in the Humber Region and selected employers beyond.

We are one of the UK's larger credit unions, with a wide range of products, high street branches and full online service channels.

We've offered payroll savings for 23 years and thousands of workers save regularly with us at 40+ employers, large, medium and small.

## Next steps

If you are interested in how we can work together, or would like to find out more, let's meet for a chat:

**Sarah Hanson**  
Development and Financial  
Wellbeing Officer

shanson@hullandeycu.co.uk  
01482 778753 ext 302

# Answering your questions

## How much does the service cost?

The credit union provides this benefit to your organisation completely free of charge. Apart from interest on any loans, there are no fees or charges for being a credit union member.

## How much administration is there for the employer?

It is minimal. All the employer has to do is make salary deductions and a single monthly data exchange and bulk fund transfer. We handle all new member sign-ups, member enquiries, withdrawals and loan applications, compliance and marketing.

## What happens if an employee leaves the organisation?

If an employee leaves, we will contact them to set up a bank standing order to replace the former payroll deduction payment. This enables them to remain a credit union member.

## Is there any risk or liability involved?

All services are provided by HEY Credit Union and we accept individual and corporate liability for operating the scheme. We are fully regulated by the FCA and the PRA who also regulate banks and building societies. The regulators require robust financial systems, fully trained staff, internal and external audit, and insurance against fraud, theft and dishonesty.

## Are our employees' savings safe?

Yes, they are fully protected by the Financial Services Compensation Scheme (FSCS), for all savings up to £85,000, the same as with a bank or building society.

## How can members access their accounts?

They can register for online access via our website, use our mobile App, contact us via email or phone, or call into one of our well-located branches for personal enquiries.

## What returns are paid on credit union savings?

Credit unions pay an annual dividend, based on their results and members' daily savings balances throughout the year to 30 September. Members vote on it at the AGM. In recent years, HEY Credit Union has generally paid a higher return for ready access deposits than banks.

## Do members have to give notice to withdraw savings?

No. On request, they can usually be transferred to a bank account via Faster Payments the same day.

## When can members borrow?

Once the payroll deduction is in place, they can apply for loans at any time.



### **Are the rates offered on loans competitive?**

Loan repayments via salary deduction involve a much lower risk of an employee defaulting on repayments. This enables us to offer better rates and more flexibility than other lenders.

Our rates on larger and medium sized loans are typically lower than those available from banks and via credit cards. Smaller loans are designed to provide a much cheaper alternative to online and payday lenders, and bank overdrafts. All our profits, after costs, are returned to members as a dividend on savings.

### **Are we encouraging debt?**

Our priority is to promote financial resilience by encouraging members to save. All our products – including loans – are designed to help members to build savings and end the cycle of borrowing for day-to-day expenses, as well as relieving high-cost debt.

For most people, there will be times when they do need to borrow. This is a normal part of life, and we encourage our members to do so responsibly. We aim to provide an attractive low-cost alternative to high street bank loans and other forms of consumer credit for amounts £100 to £20,000.

### **How do you ensure that lending decisions are fair?**

As a responsible lender we conduct credit reference checks when considering loan applications and may also request Open Banking access or other evidence of income (such as pay slips) to assess affordability. Every application is looked at by a trained underwriter who aims to take a full range of factors into account, including a member's savings record and other relevant facts, not just a score.

### **Is this a proven model in the UK?**

Credit Unions in the UK have been offering a salary deduction facility since 1982. HEY Credit Union first offered this to Hull City Council employees when founded in 1999. Across the UK there are now almost two million credit union members.

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

**f t i in HEYCreditUnion**

**For more information, contact:**

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Development and Financial Wellbeing Officer

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01482 778753 ext 302

All information correct as at May 2022

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