

NEW LOAN OPTION ON THE HORIZON

A brand new loan facility will be launched in the early autumn when Police Credit Union introduces a pre-authorised credit account.

Members will be able to apply for a pre-approved loan limit up to a maximum of £5,000, taking new loan

advances, whenever needed, over a three-year period, without the hassle of completing a new application and signing a new agreement each time.

Chief Executive Peter Evans said: "This new account will work in a similar way to a pre-agreed bank overdraft or a budget account, giving our members even more choice. It will be the perfect option for police officers and staff who may need help with those unexpected bills

or expenses that hit us all from time to time.

"We're planning to launch this credit account in September to complement our Responder credit facility and Resourcer loan, in line with our sensible borrowing principles that we believe are the hallmark of the credit union movement."

The monthly payments will only start once an advance has been taken and not when the agreement is initially signed.

For more on PCU's new loan facility see page 2.

NEW LOAN

(from front page)

The overall limit for borrowing with Police CU remains at £20,000, including a combined limit of £12,000 for the Responder and the new account. At the end of each three-year period for the loan, a replacement arrangement will be available, subject to approval and circumstances.

The rate will match the deal for the existing Responder loan, giving members the option to choose whether to agree

a new term for a "top-up" facility or to have the scope to borrow as and when within a pre-agreed maximum.

The new loan will be offered alongside Police CU's two unsecured loan products. The current Resourcer fixed term loan, available over a fixed period of time, is still available at only 7.5% typical APR at time of going to print. The popular Responder "top-up" credit facility, currently at 11.68% typical APR, enables members to take extra loan amounts up to six times per year up to a

maximum of £12,000. Each top up requires a new agreement to be signed and this can give the opportunity each time to extend the term for the new outstanding balance.

To be one of the first to take advantage of the new loan facility, simply contact your local branch about the 'Autumn Loan Launch' by email or telephone to receive the leaflet in the post when it becomes available and you'll receive a free 'PCU Blue Light' - a blue LED keyring torch just for enquiring.

Please note: All loans are subject to status, conditions and credit checks to persons aged 18 or over. Written quotations are available on request. Police Credit Union is authorised and regulated by the Financial Services Authority.

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IMPROVED LOAN FORM

No one likes paperwork, even though it's essential. Now Police CU has given its loan application form and documentation a major makeover!

The benefits of the new, improved form are:

- Simpler to complete
- Step by step guide to completion
- Faster approval decisions



So the days of sending applications back and forth for missing information should now be a thing of the past.

ON THE LINE

The new phone system is now up and running. If your local branch staff are unavailable, you will be automatically diverted to the next available branch at no extra charge - all at a local call rate.

Branch manager Myrel Robinson commented: "The new system is now working well after a few early teething problems. I'd like to apologise to any members who were

inconvenienced while we were implementing the new system. I'm sure that our members will soon appreciate the benefits of using the new numbers."

For a limited transition period, members using the existing phone numbers will be automatically diverted to the new number.

Birmingham	0845 241 7501
Bristol	0845 241 7502
Exeter	0845 241 7503
Liverpool	0845 241 7504
Middlesbrough	0845 241 7505
Newcastle	0845 241 7506
Welwyn Garden City	0845 241 7507
Kent	0845 241 7508
Essex	0845 241 7509
Hampshire	0845 241 7511
West Yorkshire	0845 241 7513



THE RIGHT RATE

The competition between high street banks to advertise the lowest typical APR rates is making life even more complicated for customers. To make it easier to compare the

real costs of borrowing, PCU has looked around the high street for deals from names you know and compared them with its competitive Resourcer loans. Best value is shown by

comparing the monthly payments and total payable, rather than just relying on the quoted APR that may not apply to the loan you want. It's all summarised in the comparison chart below.

Lender	Typical APR	Monthly repayment	Total amount payable	With PCU, you save
PCU	7.5%	£96.72	£4642.56	-
NatWest†	13.8%	£108.91	£5227.68	£585.12
Nationwide BS†	13.9%	£109.11	£5237.28	£594.72
Alliance & Leicester†	14.9%	£111.12	£5333.76	£691.20
Lloyds TSB†	18.4%	£118.34	£5680.32	£1037.76

† Redemption penalty applies. Loan comparisons are based on a typical personal loan of £4,000 arranged over 48 months, excluding optional payment protection insurance. Competitor APR information source: Moneyfacts as at May 2007.

THE WORKPLACE FINANCIAL CAPABILITY PROJECT



Police Credit Union is backing a major initiative to help improve the UK population's ability to understand financial matters and take control of their money.

The Financial Services Authority (FSA), the UK's financial watchdog, has launched the National Strategy for Financial Capability in partnership with the Government, financial services industry, consumer and voluntary services.

Background

An extensive survey last year produced some telling results about current levels of financial capability.

For example:

- 81% of the pre-retired think that a state pension will not provide the standard of living they hope for in retirement but 37% of these have made no additional pension provision;
- of the 1.5 million who say they are falling behind with bills or credit commitments, one third have real financial problems; and
- 40% of people who own an equity ISA are not aware that its value can fluctuate with the stock market.

To address these problems, the FSA has set up seven projects to target different groups such as school children, students, young adults that aren't in education, employment or training, new or expectant parents and employees.

The Workplace Project

The FSA's Workplace Project delivers free financial education to employees in the form of an hour-long seminar in the workplace, delivered by a specially trained presenter. All participants receive a financial information pack building on the seminar content. Initial pilots have already been completed with excellent feedback from attendees.

Progress so far

To date, the FSA has provided their educational material to more than 250,000 employees at 200 different companies. Over 11,000 employees have attended a seminar and independent evaluation shows that, as a result, 82% plan to take some action, usually to review their finances. Three months after attending a seminar, 60% had already turned intention into action. These figures speak for themselves.



The Workplace Project covers the whole of the UK and the team has local representatives in Scotland, Northern Ireland, the North West, the North East, and the Midlands. The Workplace team is working with a wide

"...helping their employees to understand their personal finances better can reduce the stress and distraction"

range of employers, including colleges, health authorities, manufacturers, local and central government, FTSE 100 firms and small charities as well as financial services firms.

The way forward

The overall plan is to reach 4 million employees by 31 March 2011 so we plan to engage all forces over the next two years.

The employers who have taken part so far realise that helping their employees to understand their personal finances better can reduce the stress and distraction of financial worries. But at the same time, this investment in their people also benefits the business.

If your Force would like to know more about the Workplace Project and how to get involved, please email workplace.team@fsa.gov.uk or contact Chris May on **07789 746068**.

TREATING CUSTOMERS FAIRLY

Police Credit Union has signed up to the 'Treating Customers Fairly' initiative by the Financial Services Authority, guaranteeing members a fair deal.

by the Financial Services Authority and we fully support this initiative. It's entirely in line with everything that we, as a credit union, are striving to promote."

"At Police Credit Union, we're proud to meet the requirements and I hope that our members trust us to do so," added Brian Longdon.

The FSA, which regulates and works closely with Police CU, requires all financial services organisations to 'pay due regard to the interests of its customers and treat them fairly'. In line with its principles as a credit union, Police CU was keen to support the initiative that promotes 'an effective and efficient retail market financial service'.

Compliance officer Brian Longdon commented: "As our members are hopefully aware, PCU is authorised and regulated

Treating Customers Fairly is based on six principles:

- 1 Customers have confidence that the fair treatment of consumers is central to the corporate culture
- 2 Products and services are designed to meet the needs of the identified groups and are targeted accordingly
- 3 Clear information is provided to customers and information is updated before, during and after the point of sale
- 4 If advice is given, it is suitable and appropriate to circumstances (PCU does not give advice)
- 5 Products perform as expected and associated services are of an acceptable standard
- 6 No unreasonable post sales barriers imposed by provider to change product, switch provider, submit a claim or make a complaint

POINTS OF VIEW

Your opinions are important and Police Credit Union will soon be launching a feedback initiative online, in branch and in the next issue of Financial Force.

Look out for your chance to have your say.



THE TRUSTWORTHY PCU

A recent undercover investigation by BBC One's Whistleblower programme has exposed serious customer service failings at Barclays Bank.

The programme has rocked customer confidence and undermined the trust placed in high street banks to treat customers fairly. Reporter Amanda Egbujo witnessed staff at a Surrey branch lying, cheating and mis-selling products to customers in order to meet sales targets. She also uncovered serious security flaws and potentially unlawful charges.

Chief Executive Peter Evans said: "At the end of the day, a high street bank is a business - looking to make a profit. The shareholders demand larger returns every year and it seems inevitable that the customer will end up paying through poorer service or increased charges.

"As a credit union, Police CU is run for the benefit of its members, not faceless

shareholders. After operating expenses, all money from loan interest is given back to members as a dividend on savings. That's why we specialise in a few key products which are specific to the whole police family - serving and retired police officers and staff plus their family members living with them. There's no hard sell and no commission to be made - just good, honest deals."

How is the Police Credit Union different?

It's Your Credit Union	As a member you have a say in how the credit union is run and you benefit from its success
Not for Profit	Police Credit Union is "not for profit" and all the funds are kept exclusively in the police family
Payroll deduction	In the vast majority of cases, members can save regularly and easily with contributions and payments taken directly from pay.
Dividend	The available surplus (after operating costs and funds that must be kept in reserve) is paid in the form of a dividend to saving members
No charges	No administration charges, no transaction fees and no penalties on loans or savings.
PCU's "Common Bond"	You come together with your colleagues in the police family to save prudently and to borrow at sensible rates

THE COST OF CARDS

It's often all too easy to fall into the snare and attraction of buying with a credit card. But if the debt isn't cleared in full, interest starts to build up.



The rate charged by credit cards is often over 15% and the interest mounts up, leaving the cardholder chasing a moving and increasing figure for repayment. Borrowing on store cards can be even more expensive.

Branch manager Ian Curley commented: "By moving debt to Police Credit Union, members can bin their cards and switch to a Resourcer loan. It's

available at 7.5% typical APR [at the time of printing], with interest payable on a reducing balance. Plus, in the majority of members' cases, they can use pay deduction to make managing debt even easier. So it just may be worth a thought."

*All loans are subject to status, conditions and credit checks to persons aged 18 or over. Written quotations are available on request. Extending the term of repaying a loan commitment may result in a greater total repayable.

Credit Card Lender	Typical APR
HSBC Mastercard	15.9%
Alliance and Leicester	16.9%
Sky Mastercard	16.9%
Nationwide Visa	17.9%
Store Card Lender	Typical APR
Marks and Spencer	19.9%
Argos	25.9%
Topshop / TopMan	29.9%
Burton	29.9%

Source: Moneyfacts as at May 2007.

ENHANCING LIFE COVER

Life cover providers CUNA Mutual have now introduced several improvements to the insurance provided by Police Credit Union on its savings and loans.

Available at no extra cost (subject to certain conditions), the cover is available to all members. From 1 April 2007, the exclusions section of the policies were changed as follows:

a) The suicide exclusion is reduced to six months from twelve months

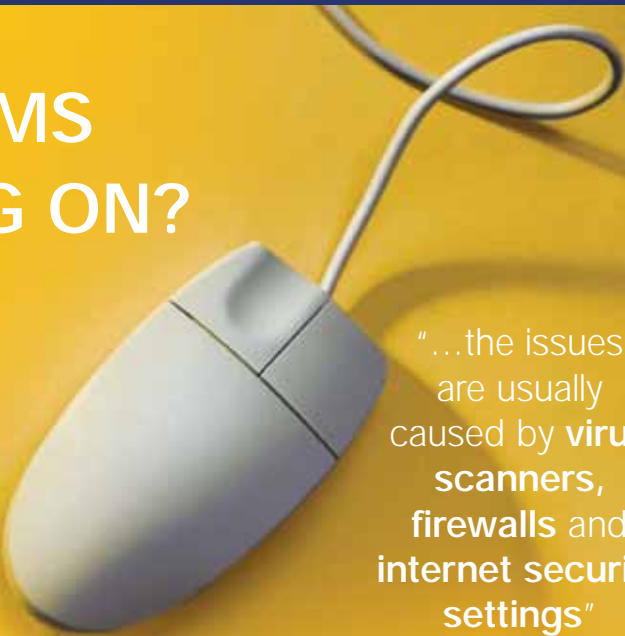
b) The HIV/AIDS exclusion now exempts:

- contraction of HIV/AIDS 'in the line of duty' or as part of one's legal profession
- contraction of the virus as a result of being the victim of a crime
- contraction of the virus through a blood transfusion or legal medical procedure administered by a medical professional in a medical facility.

PROBLEMS LOGGING ON?

Police Credit Union is sorry to report that some of its members are experiencing problems logging on to the Secure Members' Area to manage their accounts online. The root of the problem is not specific to the Police Credit Union website and it affects many other sites.

The issues are usually caused by virus scanners, firewalls and internet security settings, which are increasingly preventing "cookies" from being stored by default. In line with the majority of similar web sites, cookies are imperative to ensure the correct functionality and, indeed, the security of this area. They can normally be enabled manually by changing a setting in the Privacy section of your Internet Browser.



"...the issues are usually caused by **virus scanners, firewalls and internet security settings**"

For your information, "cookies" are pieces of information stored by sites on your computer. They are used to enable login information and other data.

For step-by-step guidance to enable cookies on your

computer, type something like "Enable Cookies" into your favourite Search Engine and you will find a wealth of information available. Alternatively, you will find that the sites below will provide sufficient information for your needs.

Internet explorer 7:

http://www.betfred.com/help/static/cookiehelp_ie.htm

Mozilla/Firefox:

<http://www.firefoxtutor.com/44/enable-cookies/>

Opera:

<http://help.expedient.com/browsers/cookies.shtml>

In the event that you continue to experience problems, please feel free to contact your local branch.

BENEFITS FOR ALL AS NEW FORCES JOIN PCU

Police Credit Union has welcomed on board four new forces in 2007, with more to follow in the next few months, benefiting existing members through increased membership.

Kent, Essex, Hampshire and West Yorkshire forces have

all introduced payroll deduction facilities, enabling Police CU to increase its membership, which is a major boost for all.

By constantly striving to swell the number of members, Police CU aims to be even more efficient with its saving and lending, without

necessarily increasing the number of staff or resources required to deliver the full range of services. In the longer term this means that Police CU should be delivering even better dividends for its saving members as well as being able to maintain its sharply competitive lending rates.

FAMILY FAVOURITE

Loans and savings with Police Credit Union are proving to be a big hit with families as police staff and officers spread the word.

Police CU's legal common bond allows it to provide services not just to serving and retired police officers and staff. It can also include any family member (including partner) who lives with the main member. Savings and loan repayments may be made via the main member's payroll but, if that is not desired, we can accept both by Direct Debit Authority.

Chief Executive Peter Evans said: "Many members are aware of the huge benefits on offer from Police CU and it's great to see so many encouraging their family to join. I hope that we can grow the Credit Union even further by encouraging members to let their family in on the secret of Police CU."



TEAM SPIRIT

Police Credit Union has launched a three-year sponsorship programme with Police Sports UK to support both competitors and fans as they strive for victory.

Members of the National British Police Cricket Team now have smart, new, post-match polo shirts to reflect their professional performance on the field, thanks to Police CU's support.



During the three-year deal, not only is the team facing tough competition from the British Army and Royal Navy, among others, during June but in 2008 they will also be touring Sri Lanka.

"...Police CU showed its support on the Solent in May"



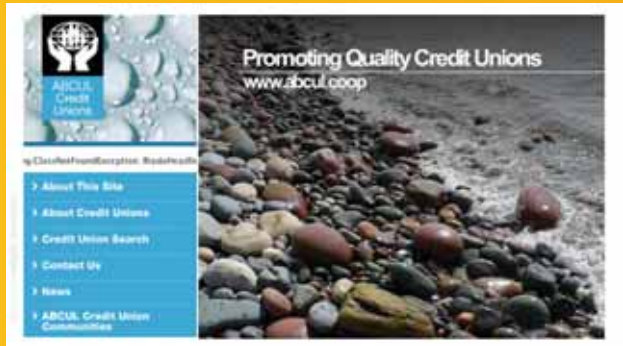
As Grand Final sponsors of Police Sport UK's Offshore Sailing Championship 2007, Police CU showed its support on the Solent in May as more than 250 competitors from across the UK took part in a tough endurance passage race around the Isle of Wight via Poole.



TOP RANKING FOR PCU

Police CU is the fourth largest credit union in the UK, according to the Association of British Credit Unions Ltd.

Serving fifteen forces and with 14,500 members, Police Credit Union is one of only twelve Version 2 unions by virtue of its size and is, therefore, allowed by the FSA to have greater scope for operation than all the Version 1 unions. In the latest survey, Police CU was compared to 367 different credit unions across the UK that



represented a large range of industries and professions.

“...serving
fifteen forces
and with **14,500**
members”

Formed in 2003 by a merger of seven individual force credit unions, Police CU is part of the UK credit union movement that includes 531 different unions. In total, all the credit unions have 620,000 adult members and over 100,000 junior members.

The total assets of the UK credit unions now exceed over £0.5 billion.

Chairman Peter Watson commented: "This is a fantastic achievement and is great news for members who benefit from a large membership base. I hope all members are proud to belong to one of the country's leading organisations, which is taking the credit union development into its next phase by sticking to its principles and retaining mutuality."

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