



# Financial Force

Summer 2011

## 8 good reasons to cut up your cards

As credit card rates hit a 13 year high, inflation is rocketing and the Police Family is enduring a two year pay freeze, Police CU is offering new loans at a discounted rate of just **8%** to help members reduce their monthly outgoings.

Whether it's to consolidate debt, pay off a credit card or to finance a new purchase, a Resourcer loan at a rate of just 8% or even 7.5% for some members, will be hard to beat.

See page 3 for full story.

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**Savings and loans for the Police Family.**

Honorary President: Lord Stevens of Kirkwhelpington, QPM, DL



[www.policecu.co.uk](http://www.policecu.co.uk)

# message BOARD

## New Legislation still awaited

The new Legislative Reform Order (LRO) has still not been passed at time of going to print. Police CU will put forward any new proposals as a result of the LRO to the 2012 AGM.

## Debit Card Payments

Police CU now accepts debit cards from a personal account. For compliance and cost reasons, Police CU cannot accept payments made with credit cards or debit cards issued on business or non-personal accounts.

## Changing places

Let Police CU know if you're transferring forces. Your membership will continue but your payroll deduction will need to be updated. Please contact your local branch for help.

## Notice of Motions for AGM January 2012

The date for the next Annual General Meeting will be confirmed in the next issue. Any proposed rule changes or motions by members should arrive at Guardians House by 1 October.

## Secure access

Be safe and secure when you access your Police CU account - complete our simple registration for instant online access.

## Standard statement from FSA about FSCS

*Please note: PCU does not offer joint accounts.*

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 would be claimed would be £85,000 each (making a total of £170,000). 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 [www.fscs.org.uk](http://www.fscs.org.uk) or call 0800 678 1100.

## Regulatory changes

The Financial Service Authority (FSA) is being replaced by two separate bodies. The Prudential Regulatory Authority (PRA) and Financial Conduct Authority (FCA) will be introduced but won't fully take over until 2013. They will run in parallel to the FSA until then.



# Making money stretch

Continued  
from front page

The cost of living rose faster than expected this Spring and with rising fuel and food costs, the trend looks set to continue. Combined with sky-high interest rates for loans and credit on the High Street, there is growing demand from members who want to make their money go further.

As a result, Police CU is offering a 1% discount on all new Resourcer loan applications before the end of September, providing a flat rate of just 8% which is fixed for the full term of the loan. This will be reduced to just 7.5%\* for members with a good credit history with Police CU. Chief Executive Peter Evans said: "As a credit union serving just the police family, Police CU can

offer a representative APR that is almost half the average rate currently available on the High Street.

"This rate gives members the chance to consolidate their credit card debt, loans or store cards from the High Street and make their money stretch that bit further. With

so many members saving at the moment, we have lots of funds available for members who want to invest in a home improvement, family holiday or new car."

What  
is APR?

See page 5...

The following examples are based on a £4,500 loan taken over 48 months.

Lender	Rep APR	Monthly repayment	Total amount payable	With PCU, you save
PCU (Loyalty)*	7.5%	£108.81	£5,222.88	-
PCU (Standard)	8.0%	£109.86	£5,273.28	-
Tesco Bank / Santander	15.9%	£127.30	£6,110.40	£837.12
M&S Money	16.9%	£129.61	£6,221.28	£948.00
Co-operative Bank	18.9%	£134.31	£6,446.88	£1,173.60
Barclays (existing customers only)	22.4%	£142.76	£6,852.48	£1,579.20
Halifax (existing customers only)	22.9%	£143.99	£6,911.52	£1,638.24

A competitive interest rate (everyone pays the same, whatever your credit rating). Life cover at no extra cost - savings doubled and loans repaid in the event of death (up to age 65 and subject to conditions). No arrangement fee, no early redemption penalty and no final settlement fee.

\* Loyalty rate applicable to members who have satisfactorily paid off a loan since 30.9.09.  
Loan comparisons based on an unsecured personal loan of £4,500 arranged over 48 months (excluding optional payment protection insurance).

LOANS SUBJECT TO STATUS, CONDITIONS AND CREDIT CHECKS TO MEMBERS AGED 18 & OVER.

Competitor information source: Moneyfacts (May 2011)  
Repayment calculations source: PCU Acumen

# What it means to be a member

With demoralising public sector cuts and a two-year pay freeze in force, Police CU members are facing tough times, with some leaving the force or retiring.

For Police CU members departing the Police Force, their membership of Police CU could be more important than ever as their financial situation changes.

That's why Police CU ensures that all its members, including those who leave the Police Force, can benefit from low interest rates and being a part of a mutual organisation that has the strength and stability needed to support members in a time of austerity.



Andy White, who is retiring as the Chair of West Mercia Police Federation, said: "During my career in the force, the credit unions, and latterly Police CU, have played an important part in my financial planning. Not just that but my family have benefited too by becoming members."

"It's nice to know that as I retire, I still have the support of Police CU and I can trust that my savings are helping others within the Police Family."

A man in a dark suit and patterned tie is holding a large, bright yellow balloon. The balloon has the text "Rising inflation means that finances are under particular strain..." written on it in black and red. The man's face is partially obscured by the balloon.

“ Rising inflation means that finances are under particular strain... ”

## ISA limits

A reminder to all account holders of a Police CU Cash ISA that the ISA limit has changed. Members can now save up to £5340, in a single tax year, to benefit from tax-free savings.

## Accounts now online

Check out how Police CU has been investing members' money. The Annual Accounts for 2009-10 are now available on the Police CU website. Visit the 'About Us' section to download.

# Representative APR

what does it mean?



First there was typical APR and now there's representative APR. But why has it changed and what does it actually mean? Here, Police CU asked several members what was confusing them and Treasurer Dave Raine provides the answers.

**Q** How is representative Annual Percentage Rate (APR) calculated?

**A** Representative APR is made up of two elements: the interest rate and the associated charges from the lender over the life of the loan. It's supposed to help compare loan rates but it's always wise to check how much the total loan will actually cost.

**Q** Am I guaranteed the advertised APR?

**A** Under new European rules, the representative APR rates advertised only need to apply to 51% of the loans that the lender anticipates approving - prior to the change it was 66%. This means that nearly a half of all customers will probably be paying more than the advertised headline rate.

**Q** What's the difference between fixed and variable APR?

**A** Variable APR is precisely what it says. The rate can change at any point during the term of the loan - up or down. Fixed APR means that the rate will stay the same for the duration of the loan.

**Q** Are Police CU loan rates fixed or variable?

**A** All Police CU loan rates are fixed. This is guaranteed for the life of the loan, promising far better value than can currently be found on the High Street - meaning members can budget, confident that their repayments will not change.

# The world wide credit union web

**For the first time ever, the annual World Council of Credit Unions (WOCCU) conference is being held in the UK, and it's coming to Glasgow.**

Ahead of this event, Police CU has been asked by two large Australian Credit Unions, Qantas CU and Victoria State Police CU, to meet during their visit to the UK, placing Police CU on the international stage. The WOCCU conference is the leading international trade

association and development agency for credit unions. WOCCU promotes the sustainable development of credit unions and other financial cooperatives around the world to empower people through access to high quality and affordable financial services. Worldwide, there are more than 49,000 credit unions in 97 countries that serve 184 million people.



## Shrine visit

**Police CU is liaising with many credit unions to share experiences and successes. London-based Shrine Credit Union recently visited Birmingham to learn from Police CU and meet its Board, discussing new ideas and exchanging opinions about the future of the sector.**

The profile of credit unions in the UK is increasing and the Government is starting to recognise the importance and need for mutual organisations that support specific groups and small communities.

In line with the Government's 'Big Society' mantra, the only support for the development of financial services will be dedicated to smaller community credit

unions. £73million will be invested in the sector over the next four years.

Secretary John Lindsay said: "People are starting to recognise the impact that credit unions are making and the value that they are having in communities. Meeting with Shrine CU has let us pass on some of our expertise and make sure we're doing the best we can for the wider sector."

Police CU members Stuart and Claire Dixon are making the most of Police CU's services. When the couple decided to start a family a few years ago, they turned to Police CU for financial support to fund necessary IVF treatment.



## Smiles all round for the Dixons

Stuart, who joined the police force nearly 17 years ago, has used Police CU several times. So, when the couple discovered they were not eligible for NHS treatment, they applied for a loan from Police CU to help pay for an IVF procedure.

On 29 October 2010  
Harry and Isabella

were born, with no complications. Stuart and Claire have now approached Police CU for another loan to help

...it is a service that has been there to help me in the financial ups and downs of life...

them do some work in their 'dream home'.

Stuart added: "I really do feel that it is a service that has been there to help me in the financial ups and downs of life, something that's always been there in the background supporting me. It certainly feels like the Police CU is there 'every step of the way'."

# Working in tandem with West Midlands Police Federation

As part of an event organised by the West Midlands Police Federation, Police CU Chief Executive Peter Evans has completed a 60-mile bike ride to raise money for Children Today. Headed up by the West

Midlands Police Federation's Secretary Chris 'Sticky' Jones, the bike ride raised more than £1,700 for the charity and Peter is looking to repeat the challenge next year.



Thank you!



*Thank you to the West Midlands Police Federation, who chose Children Today as the beneficiary of its fundraiser draw, which raised £2500 at the Police Federation Conference.*

Best wishes,  
Police CU and Children Today

## Greetings from Malaysia

As this newsletter went to print, a team from Police CU was taking part in the PFA Malaysia Challenge to raise money for Children Today.

children in the UK with equipment to improve their lives.

As the two Directors, Dave Raine and John Lindsay and Chief Executive Peter Evans have paid their own costs, every penny raised will go to the charity to help disabled

To see what they've been up to, visit the Police CU website, and if you'd like to sponsor the team please visit:

[www.justgiving.com/malaysiachallenge](http://www.justgiving.com/malaysiachallenge)



# Fancy winning £50,000?

**Children Today is offering Police CU members the chance to win £50,000 and to support the charity with its new game 'Cashcascade'.**

“All you need to do is pick any five numbers between 1 and 59 and match them all to the weekly draw and you could win £25,000 for a £1 stake or £50,000 for a £2 stake.”

To find out more and play Cashcascade go to: [www.cashcascade.org/childrentoday](http://www.cashcascade.org/childrentoday)

Ruth Thompson, Head of Fundraising at Children Today, said: “If you’ve tried your hand at the National Lottery, the Euromillions or the Friends of PCU Lottery, why not have a go at our new lottery style game?”



**children today**  
giving children with disabilities a brighter tomorrow

# Top trends



The most read articles from Police CU's website

## Relocation news in Newcastle

The Newcastle office has moved from Pont Park to Unit E2 (Grey Building), Prestwick Park, NE20 9SJ. The new offices are larger and more accessible for all. Both the phone number and fax number have remained the same.



## Update for Non-Doms

With immediate effect, HMRC requires that any dividend paid to a non-UK resident is subject to tax at a basic rate, effective from tax year 2010 - 2011. A letter has been sent out to everyone affected. Liability for paying at a higher rate, if appropriate, remains with members.

## Dividend and Tax Update

Reminder: Dividends are paid gross by all credit unions and the responsibility lies with the member to declare it for tax purposes to the HMRC. Police CU has been advised that HMRC is tightening

its procedures to ensure that tax is paid, where appropriate. By making payments gross to members, Police CU ensures that members have use of the tax that is payable until it is declared and paid to HMRC.

## Leaving the Force? 5 things to remember

**Once you become a Police CU member, you can stay a member.**

**1** If you have a loan with Police CU, you don't need to pay it back immediately. If you are making payments by salary deduction, we will simply switch you over to a pension deduction or a direct debit.

**2** If you've lost your job you can still apply for a loan, because as a member you are entitled to all the same benefits.

**3** You can keep your savings with the Police CU but as a member we do ask that you continue to save £10 a month.

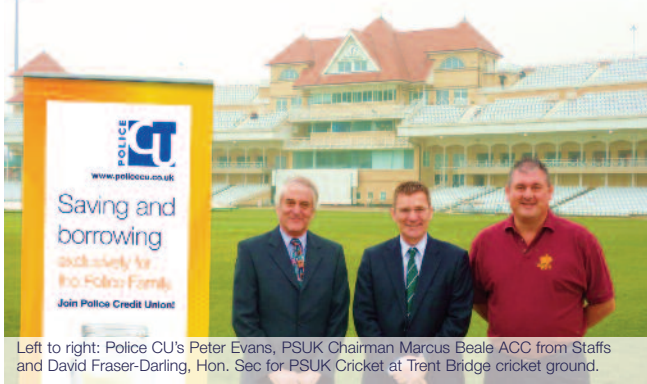
**4** If you're having financial difficulties, we won't write off your loan because of our duty to our other savers. However, we may freeze or reduce payments until you're in a better position financially.

**5** If you're unable to make payments, please contact us straight away and we'll try to help based on a review of your situation.

## Bowled over by sponsorship

PSUK Cricket has teamed up with Police CU for the 2011 National Knockout Competition, which includes the prestigious John Giffard Plate. Police CU's sponsorship will raise its profile amongst all the participating teams and spectators at the final at Derbyshire CCC on Wednesday 14 September.

Peter Evans said: "It's important that Police CU supports high profile police events and I'm excited that Police CU will be seen by so many potential new members and new forces. I hope this is the beginning of a long and mutually fruitful association between Police CU and Police Cricket."



Left to right: Police CU's Peter Evans, PSUK Chairman Marcus Beale ACC from Staffs and David Fraser-Darling, Hon. Sec for PSUK Cricket at Trent Bridge cricket ground.

## Sail away



This year's Police Sailing Championship was a huge success, supported with a smaller sponsorship from Police CU to cover the provision of the safety craft. Next year will be hosted by Lancashire and Police CU has already confirmed it will support the event again.

## Feedback prize draw winners

**Two more winners are celebrating after winning Police CU's regular feedback competition.**

William Rogers-Overy has won a £100 voucher for completing

**“ I have been very impressed with Police CU since joining last year and would highly recommend it to anyone. ”**  
**Winner, Susan Beard**

an online survey, while Susan Beard has won a £50 voucher for filling in a postal survey. Members can go online and share their thoughts about Police CU



at [www.policecu.co.uk/membership/feedback](http://www.policecu.co.uk/membership/feedback) to be in with a chance of winning in the next draw or pick up a form from your local branch.



Steve Grange



Stacey Brennan



Helen Sharkey



Beth Kislingbury

## New faces

Police CU welcomes a number of new staff to its branches across the UK and a new addition to the board of Directors. Deputy Secretary of West Midlands Police Federation, Steve Grange, joins the Police CU board, bringing twenty years of experience as an officer at West Midlands Police Force.

Providing extra support at branch level, Stacey Brennan joins the Birmingham office as a Trainee Branch Administrator and Helen Sharkey becomes a full-time Branch Administrator in Newcastle. Ian James takes on the part-time role of Branch Administrator in Stockton, while Beth Kislingbury, who already works three days a week at Bristol, will work the remaining two days a week in Exeter, becoming a full-time member of staff.



Lorraine Nightingale



Joel Lea



Joanne Willoughby

Congratulations also go to Joel Lea, who has been promoted to Deputy Manager at the Birmingham office, and to Joanne Willoughby, who takes on the role of Compliance Support Officer, as well as Lorraine Nightingale, who becomes a full-time Head Office Administrator.

## Alan hangs up his hat

Alan Woodhouse has recently retired as Branch Manager of the Stockton Branch. He first joined the Cleveland Constabulary Credit Union, whilst a serving police officer, before becoming the Cleveland Branch Manager, which was part of the merger that formed the Police Credit Union Ltd. He has been an important advocate for the movement over many years and was a valued member of the Police CU team at Stockton.



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The Police Credit Union is authorised and regulated by the Financial Services Authority, FSA number 213306.