

Credit Notes Spring 2020

IMPORTANT NOTICE

OUR ANNUAL GENERAL MEETING WILL BE HELD IN THE WYMER ROOM AT NORWICH CITY HALL ON MONDAY, 16 MARCH, 2020 AT 4.15PM.

It will last for approximately 30 minutes.

Please come along, as this is an opportunity to have a say on how the Credit Union is run and to hear how the Board has been managing members' money over the last year.

For the twenty-second consecutive year, we are sharing out the profit to our members as a dividend. The Board will be recommending a **1.25% dividend**. Dividends are paid gross to your savings and are based on your average savings balance from October 2018 to September 2019. We need members at the AGM to vote on this proposed **profit share**. If agreed, the dividend will be paid in March.

The Credit Union has to complete a dividend return to the HMRC showing accounts that have earned £250 or above. It is the responsibility of each member to pay any tax owed.

Thank you to all members for their support over the last 12 months.

CHALLENGING YEAR

Although we granted a record number of Personal and Incentive loans, we also experienced more loan defaults and members applying for Debt Relief Orders (DRO) and Individual Voluntary Arrangements (IVA) than in previous years. Any increase in bad debt means by law we must provide for it in our accounts. This comes out of our profit and, as in the case of this year, any substantial increase of provision, unfortunately affects the dividend.

NEW LOAN POLICY

Since May 2019 the Board have been working on a new Loan Policy that will help to future proof the Credit Union over the next decade.

In 1992 the world of finance was a totally different place, no mobile phones, emails or online banking. When the founding members and Directors set up the Credit Union, the Loan Policy was based on what was happening in the Credit Union movement at the time. The Loan Policy has been tweaked slightly over the last 27 years and has served the membership well, with over six million pounds issued in small to medium-sized loans during that period.

Our regulators, the Bank of England and the Financial Conduct Authority, stress the importance of offering affordable loans, so we are not adding to the worry and burden of having too many debts that members struggle to repay. For this reason we have reviewed our lending procedure and policy, to modernise the way we issue loans and to ensure the Credit Union remains relevant -

1. The Loan Policy is no longer based on four times savings. Instead we offer members a choice of equitable products that match their individual financial eligibility.
2. We recently signed a contract with Equifax, in a step towards attaining a fuller financial picture when assessing loan applications. This will meet the affordability criteria sought by the regulators. Making Wherry Dragon loan repayments on time will also help to build credit worthiness and may increase a credit rating.

A reminder that we are unable to discuss an account, without the three/four-digit membership number. This is shown on your joining letter and most recent statement.



The office is staffed -
Monday, 9am-4pm, Tuesday & Thursday, 9am-1pm & Friday, 10am-2pm.
Telephone 01603 212465 (24-hour answer phone)
Email creditunion@norwich.gov.uk
Website wherrydragon.org.uk

Please quote your membership number when calling, on emails or if leaving a message. We are unable to discuss your account without it.

