

Scottish Cross-Party Group on Credit Unions

21st January 2025, 18:00 – 19:30

AGM & Scottish Government Discussion on Support for Credit Unions

Location: Online via Zoom

Present

MSP Group Members:

- Stephen Kerr MSP – Convenor
- Paul Sweeney MSP – Co-Convenor

Invited Guests:

- Kim Mackay – Scottish Government Financial Services Team
- Adrian Sargent – CEO Castle Community Bank
- Elaine Rae – CEO at NHS (Scotland and North England) Credit Union
- Carol Gillon – CEO 1st Alliance Credit Union
- Vincent Ferguson – CEO North Coatbridge Credit Union
- Julie Reddin – CEO Mosshill Credit Union, Director for Scotland ABCUL
- Karen Wallace – CEO Right Way Credit Union
- Stephen Mooney – NHS (Scotland and North England) Credit Union
- Josiah Cadman – ABCUL Advocacy and Regulatory Affairs Officer

Non-MSP Group Members:

- Robert Kelly – ABCUL CEO
- Natalie McQuade – ABCUL Head of Advocacy and Regulatory Affairs

Apologies:

- Ben McPherson MSP
- John Mason MSP
- Trisha Butler - Drumchapel Credit Union.
- Richard McCready
- David Ross – Glasgow Credit Union
- Charles Sim – Churches Mutual Credit Union
- Lynne Kearney - South Coatbridge Credit Union
- Thomas McVay – SCVO Credit Union

AGM

The annual election of CPG office bearers was conducted.

- It was confirmed that the CPG meeting was quorate, and members of the Group resolve to re-elect office bearers for the CPG.
- It was proposed, and agreed to, that Stephen Kerr would remain as CPG convener.
- It was proposed, and agreed to, that Paul Sweeney will remain as deputy convener for the CPG.
- It was proposed, and agreed, that the Association of British Credit Unions shall remain as secretariat for the CGP.

The Group was reminded of the purpose of the CPG, as follows: CPG on credit unions provides a platform and purpose for Scottish credit unions to discuss ideas and collaborate. The group creates a foundation for policy and development of credit unions and shares best practice.

Priorities for the Year

1. Building on engagement with Scottish Government Officials
2. Awareness Raising of Credit Unions Across Scotland
3. Funding and Financial Resources and the promotion of the sector.
4. Accredited Learning Opportunities for Staff

Future meeting Format: Return to a mix of in-person and online meetings.

Next Meeting and AGM Dates: TBC

AGM Concludes.

Meeting Start

Stephen Kerr MSP welcomed attendees on behalf of the MSPs and facilitated introductions for those in attendance.

- Review of Previous Minutes: Minutes from November 28, 2024, no objections from the group.

Revisit of key topics from the November 2024 meeting

- Awareness raising of the sector
- Funding of technology enhancements, dormant asset money
- A more proportionate regulatory landscape is needed
- Liquidity and capital raising to help tackle social issues

Key Topics from the Meeting

Scottish Government Engagement:

Speaker: Kim MacKay (Financial Services Team)

Discussion: Importance of understanding the sector and building relationships – Credit Unions have more recently become part of the Financial Services Team policy remit.

Funding and Technology Enhancements:

- Opportunities including the dormant asset scheme and support from the Scottish National Investment Bank.

Regulatory Environment:

- There is a need for a more proportionate regulatory landscape.

Financial Inclusion:

- Efforts to further include credit unions in financial inclusion strategies and pilot projects.

Discussion Highlights

Scottish National Investment Bank:

- Elaine Rae asked if there will be/are opportunities for credit unions to engage with the bank. Kim MacKay emphasized the importance of presenting a business case.
- Questions were raised around the idea of working with the Scottish National Investment Bank and what would be available to Credit Unions.

Awareness Raising:

- Stephen Kerr emphasised the requirement for more strategies to reach younger demographics, schools mentioned as a vital part of the culture of money and saving. Kim MacKay suggested pilot projects and school engagements – awareness raising was mentioned here as an important way to reach the younger demographic.

Regulatory Challenges:

- Stephen Mooney raised a proposal to form steering groups to address regulatory issues – previous meetings have highlighted a broad consensus amongst Credit Unions on this issue.
- Kim MacKay noted 'bandwidth' constraints within the Financial Services Team

Data Collaboration:

Adrian Sargent and Kim MacKay discussed the partnership with Smart Data Foundry to improve data insights, hopefully creating a better picture of the credit union sector. Adrian Sargent highlighted challenges surrounding data being in different formats.

Success Metrics

Robert Kelly noted the significant consolidation within the sector and wanted to identify key success factors. Robert highlighted the new Greater Manchester TfGM partnership with the SoundPound Group in providing loans for bus passes. Suggested this model could be replicated across Scotland. He also emphasised the need for clear goals and objectives to avoid circular conversations in potential steering groups.

Identification and Verification

- Carol Gillon raised concerns around Scottish citizenship cards and identity verification.
- Kim Mackay noted work is ongoing regarding identification and verification of identity. Processes have been implemented for other groups such as refugees.

Fin-tech

- Paul Sweeney MSP and Adrian Sargent asked how the credit union sector could be more aligned with fintech startups in Scotland, and highlighted the opportunity for both credit unions and fintech startups in Scotland.
- Adrian Sargent noted the gap in the investment market – even with fintech startups, scaling a credit union needs cash, investment and capital. A struggle is felt to get investors into the credit union sector – due to investor demands for high returns in shorter amounts of time.

Pilot Referral Scheme – Lloyds and Nest Egg

Natalie McQuade and Robert Kelly spoke to the pilot referral scheme in the North West for those who don't meet lending requirements being referred to Credit Unions by Lloyds Bank. Robert noted that Lloyds are looking for a scalable sustainable referral program mechanism that works.

Discussion of Possible next steps:

1. Form Steering Groups: Focus on specific challenges and opportunities.
2. Funding Discussions: Continue conversations with funding bodies and explore new mechanisms.
3. Engage with Fintech: Look for opportunities to partner with Fintech startups (suggested by Paul Sweeney MSP).

4. Suggestions to invite AiB to a future meeting on the topic of debt solutions.

Upcoming Meetings

- In-Person Event at Scottish Parliament: Date needed for the next SCPG. Aims for it to be in person/hybrid meeting.
- AGM and Future Meetings: Confirm dates and agendas for upcoming meetings.

Close of Meeting

Conclusion and Thanks:

- Stephen thanked everyone, including Kim MacKay, for attending the AGM and Meeting.