

Cross-Party Group on Credit Unions

Minutes of the meeting held at 6pm on Tuesday 7 February in
Room P1.02, Scottish Parliament

Present

Ruth Maguire MSP (Convener)	Scottish Parliament
Claudia Beamish MSP (Deputy Convener)	Scottish Parliament
Angela Constance MSP	Scottish Government
Ben McPherson MSP	Scottish Parliament
Alison Harris MSP	Scottish Parliament
Ashley Douglas	Scottish Parliament
Kenneth Pentland	Scottish Government
Will Tyler-Greig	Scottish Government
Karen Hurst	Association of British Credit Unions Ltd
Matt Bland	Association of British Credit Unions Ltd
Sharon McPherson	ScotCash
Diane Dunn	Renfrewshire Council
Karen Hunter	Church of Scotland/Churches Mutual Credit Union
Dermot O'Neill	Scottish League of Credit Unions
John Mackin	Transport Credit Union
Flora Mackin	Transport Credit Union
Eric Bennett	Sovereign Credit Union
Roger Marsh	Prudential Regulation Authority
Charlie Meehan	Dalmuir Credit Union
Chris Donald	Prudential Regulation Authority
Charles Sim	Co-op Credit Union
Rosie McCready	Motherwell & District Credit Union
Chris Tait	Ethical Finance Centre
Cathy Waite	Heriot Watt University
Jim Suddon	Capital Credit Union
Elena Brown	Tay Valley Credit Union
William Thomson	West Lothian Credit Union
Morag Davies	Lanarkshire Credit Union
Gordon Buchanan	Castle Community Bank
Rev Iain May	Castle Community Bank

Apologies

Tom McVay	SCVO Credit Union
Tony Davren	Pollok Credit Union
Jim Garrity	Pollok Credit Union
Ann Scott	Accountant in Bankruptcy
Alison Dowling	Capital Credit Union
Heather Kay	Engage Renfrewshire
Gerry Docherty	East Kilbride Credit Union
Carol McHarg	1 st Alliance (Ayrshire) Credit Union
Bobby Gould	CUNA Mutual
Gavin Thomson	Ayrshire Credit Union
Cathy Greig	Vale of Leven Credit Union
Donald Thomson	Solway Credit Union
Archie Ferguson	Glasgow Credit Union
Jackie Baillie MSP	Scottish Parliament
Robert Kelly	NHS Credit Union
Martin Sime	SCVO
Nancy MacGillvray	West Lothian Credit Union

Ross Gardner
Yvonne Strachan
Prof Charles Munn
Sheila Duffy
Dr Robbie Mochrie
Kenny MacLeod
Norman Crawford
Dr Ray Donnelly

Lloyds Banking Group
Scottish Government
Church of Scotland
ASH Scotland
1st Universities Credit Union
Scotwest Credit Union
Dalmuir Credit Union
1st Universities Credit Union

Introduction

Ruth Maguire MSP welcomed the group to the first meeting of the new Parliament, and noted that she and Claudia Beamish MSP were delighted to be conveners of the group. She also welcomed Alison Harris MSP and Ben McPherson MSP to the meeting. The minutes of the previous meeting were noted, as were apologies. She welcomed the guest speaker, Minister for Communities, Social Security & Equalities, Angela Constance MSP, and ABCUL Head of Policy, Matt Bland, and noted that the meeting would be looking at the issues affecting the sector.

Guest Speakers

The Cabinet Secretary, Angela Constance, spoke about her support for the sector, noting she was pleased to see a strong turnout, and that the scale of the sector in Scotland was phenomenal. She noted her membership of West Lothian Credit Union and that she was particularly proud of their achievements in her constituency. In terms of Government policy, she advised that the movement was part of a many pronged attack on poverty in Scotland, and reiterated the support of the Scottish Government. The Cabinet Secretary also outlined some of the steps taken to support the sector to date, including funding for junior savers schemes and supporting pay roll deduction. She also noted she was keen to explore the role of credit unions in funeral poverty. She ended by noting she was keen to continue working with the cross party group, and that she was happy to take questions.

Matt Bland, ABCUL's Head of Policy, offered the apologies of Mark Lyonette, Chief Executive of ABCUL, who has unfortunately been forced to withdraw from speaking at the meeting. He noted how keen the Association of Credit Unions was to work with the Scottish Government and Parliamentarians, and outlined some of the challenges facing the sector in the coming years, including sustainability and technological advances. He noted that employer relationships were particularly important in ensuring that the sector is serving a wide enough audience to fund the work it does for the poorest communities. He also noted that important role this would play in supporting savings.

Discussion

After a short break the convener invited those at the meeting to ask questions or comment on the issues raised by the speakers. Some of the points raised include:

- Whether there was potential to promote credit unions through the Government communication channels. There was also a discussion about how best to market the sector generally, and the importance of the message about credit unions being for everyone being clear.
- Whether there was a role for credit unions in government fuel poverty initiatives, and how similar agendas can be joined up.
- The impact of regulation, and the dangers of asking for too much from the regulators.
- There was a suggestion that the Government might assist with guaranteeing loans, although there were mixed opinions on the long term impact of such schemes on the sector.
- How the sector can best respond to BrightHouse and other such high interest schemes.
- How the Government can bring volunteers into the sector.

- The differences between credit unions and CDFIs, and how credit unions offer a more comprehensive package.
- How the sector can better serve the younger generations, and overcome the challenges this presents.
- The potential for working in the higher education sector.
- Roger Marsh, of PRA, noted he felt the biggest challenge is that most people have that people don't know what the benefits of a credit union are, and are unaware of the actual cost of lending from alternative sources of credit. He also noted that it would be helpful if employers of a certain size had an obligation to assist staff in financial wellbeing.

The convener thanked everyone for attending, and the meeting was brought to a close.