



Democratic and Member Support

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SELECT COMMITTEE REVIEW

UNIVERSAL CREDIT

SUPPLEMENT PACK 2

Wednesday 14 March 2018

10am

Warspite Room, Council House

Members:

Councillors Mrs Aspinall, Ball, Bowie, Carson, Churchill, Fletcher, Morris, Penberthy and Storer.

Members are invited to attend the above meeting to consider the items of business overleaf.

Please find attached for your consideration additional information under agenda item 5c.

Tracey Lee

Chief Executive

Select Committee Review

Agenda

5. **Universal Credit:**

5c Timetable of Witnesses

(Pages 1 - 28)

Universal Credit: Design problems and teething problems

Summary

The design of Universal Credit does not reflect the reality for people who will rely on it. It assumes substantial savings, IT access and literacy, monthly salaries and even access to a contract telephone rather than a pay-as-you-go phone. While these are the norm for many members of society, including those who designed Universal Credit (UC), they are not the experience of many people who will have no choice but to rely on UC.

As UC is a single payment combining a number of benefits, the accuracy and timeliness of payments is even more crucial than for the legacy benefits. UC delivery continues to be less accurate than legacy benefits and the complexity of the benefit makes improvements difficult.

The monetary value of Universal Credit has been and continues to be significantly eroded. The benefit freeze, cuts to work allowances, cuts to the underlying tax credit rates and a number of other detailed changes have changed UC from a poverty reducing measure to a poverty increasing measure.

Early data on Universal Credit trials and job outcomes was based only on single people without children who were fit and ready for work. Whilst the data for these easiest of cases is positive it tells us nothing about how UC affects the more complex cases of those with children, those unfit for work, or those in work but with a low income who will form the vast majority of claimants.

The design assumes that families have savings to cover 6 weeks of family expenses. ONS data shows that for the poorest families who Universal Credit was intended to serve this was never likely to be the case.

Advance Payments only offer a loan of 2-weeks money to cover a wait of 6 weeks. This leaves a gap of 1 month for families to cover.

UC is designed around claimants having good ongoing IT skills and internet access yet this is not true for considerable numbers of people who are experiencing poverty and disabilities.

The Universal Credit helpline is cheap to those who can afford landlines or mobile phone contracts with inclusive minutes. The line costs up to 55p a minute from pay-as-you-go phones which are commonly used by people with little money

Latest statistics indicate that depending on your age you are 58% – 122% more likely to be sanctioned if you are receiving Universal Credit than if you are on a legacy benefit. Universal Credit will approximately double the number of people who may be sanctioned including people who are working but on low incomes.

As Churches we are concerned that the design of Universal Credit does not sufficiently take into account the lives, skills and resources of the least well off, and as a result will lead to greater debt, poverty and exclusion. We believe it should be paused until these design and implementation flaws are rectified.

1. Design Problems

Many of the design choices for Universal Credit reflect the concerns and experiences of the wealthier members of our society and ignore the lives and experiences of those who will rely on UC for food, shelter and warmth.

The design assumes substantial savings, IT access and literacy, monthly salaries and even access to a contract telephone rather than a pay-as-you-go phone. While these are the norm for the more affluent, most likely including the politicians and policymakers who created and implemented Universal Credit, they are not the experience of many people who will have no choice but to rely on Universal Credit.

Universal Credit has led to a large number of project workers and clergy contacting the churches' Joint Public Issues Team asking them to raise concerns about Universal Credit. This is very unusual and the level of concern and anger is obvious.

2. Fragility of Universal Credit support

Benefit errors have been common for some time and can have disastrous consequences. Even before Universal Credit the largest cause of people needing help from a foodbank was problems with the benefit system. However, when families claimed multiple benefits, even when one was suspended other benefits usually kept being paid. The family often still had some income.

There is no real backstop to Universal Credit, therefore a failure to receive a Universal Credit payment may leave a family (and their landlord) with nothing. Local welfare support schemes are extremely patchy, difficult to access, and in some areas simply do not exist. We know of a number of cases where charities and churches have been families' sole support for several months despite them being entitled to Universal Credit.

The design of Universal Credit means that accuracy and timeliness of payments is even more crucial than for the legacy benefits. Universal Credit payments require successful information flow between employers, the DWP, landlords, claimants and others. With all these moving parts, even without "teething troubles", there is a substantial risk of mistakes being made. Universal Credit's design chooses to place the cost of these risks on the claimant.

3. Emphasis of Financial Incentives over Financial Security

Universal Credit's design has emphasised financial incentives. It is important to recognise that financial incentives, especially incentives of the order the benefit system is able to provide, have limited powers. Many people face difficulties that financial incentives cannot overcome.

The monetary value of Universal Credit has been and continues to be significantly eroded. The benefit freeze, cuts to work allowances, cuts to the underlying tax credit rates and a number of other detailed changes have changed UC from a marginally poverty reducing measure to a poverty increasing policy¹.

¹ IFS (2016) <https://www.ifs.org.uk/uploads/gb/gb2016/gb2016ch10.pdf> and many others



A key role of the benefit system is to provide a sound platform to allow families to regroup and cope with the difficulties they face. For many families, especially those with children, Universal Credit does not allow that stability and pitches families from one crisis to another.

The experience of churches working alongside families coping with poverty is that the primary concern is meeting immediate needs. For people anxious about being unable to feed or house their children, taper rates are a secondary issue. What is required is an adequate stable income, something that both the labour market and UC increasingly fails to supply.

A failure to appreciate the lives of many people who experience poverty has allowed the design of Universal Credit to emphasise incentives over the fundamental principle of providing families with enough to meet their basic needs.

4. Unhelpful use of early Universal Credit and employment outcomes research

It is unfortunate that the DWP and the Secretary of State for Work and Pensions have used early research on employment outcomes for Universal Credit without any reference to its limitations. These include the fact that it was gathered from a limited subsection of UC claimants whose claims were handled using the old and very different system.

There is early data on Universal Credit and job outcomes. Because the early UC system could only handle the simplest of cases, these early trials only include single people without children, who are fit and ready for work. The data for these easiest of cases is positive. It is important to note that such straightforward claims will form a tiny proportion of UC claims.

The data tells us nothing about how UC affects those with children, those unfit for work, or those in work but with a low income. These cases will form the vast majority of claimants. The Churches are hearing from projects supporting these groups who believe there are serious problems with how Universal Credit is serving these groups.

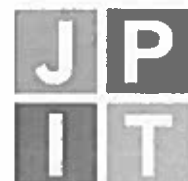
It is also important to recognise that the experience of being on this early test system is very different to being on the mass-produced IT driven system that is being rolled out across the country today.

5. 6-week wait for first payment

The 6-week wait is made up of 7-waiting days, a 4-week assessment period and a further week for payment. Around 1 in 4 claims are taking longer than 6 weeks.

There is overwhelming evidence from CAB and Trussell Trust that shows that this wait leads to debt, rent arrears and foodbank use. Anecdotally projects in churches such as food banks and debt centres in roll out areas are reporting these problems.

The design assumes that families have savings to cover 6 weeks of family expenses. ONS data shows that for the poorest families which Universal Credit was intended to serve this was never likely to be the case.



6. Advance payments

Advance Payments offer a loan of 2-weeks money to families who are likely to experience hardship during the 6-week wait for a first payment. Even with the payment this leaves a gap of 1 month for families to cover.

The DWP has given assurances that Advance Payments are available and families are being made aware of them. It is clear however that in the past this has been patchy at best. The process families need to go through of proving their ability to repay the loan as well proving their level of hardship and need has been reported to churches as difficult and intrusive (this is especially true for families who are new to DWP processes).

In ideal circumstances the policy assumes that families have sufficient savings to pay their rent and other expenses for one month, again an unsound assumption.

7. Online application system

The application system is online by default. While for many the system is an improvement over paper forms, for a considerable proportion of UC clients this poses a serious problem. The dual application system (once for UC and once to verify identity) has proved particularly confusing for those with basic IT skills.

These problems continue throughout the duration of the claim. The UC Journal system – which logs communications between the UC customer and the Jobcentre – requires ongoing internet access. The design choice assumes that people have internet access and IT skills.

UC is designed around claimants having good ongoing IT skills and internet access. While this is true for many there are considerable numbers of people, especially many experiencing poverty and disability for whom it is not true.

8. Phone helpline

UC applications are online by default however all claimants must use the phone line to book an appointment at the JobCenter Plus. The cost of this line is up to 55p a minute and CAB notes on its website calls can last up to 30 minutes, equating to £16.50 for such a call.

On its paper application forms and social media feeds, the DWP notes that the 0345 number was cheap to landlines and included on mobile phone contracts' "inclusive minutes". These types of phone are the norm for many sections of society, but it is pay-as-you-go phones favoured by those with very little money that are charged the high rates to phone the UC helpline.

9. Widening the scope and increasing the severity and rate of Benefit Sanctions

Latest statistics indicate that depending on your age you are between 58 and 122% more likely to be sanctioned if you are receiving Universal Credit than if you are on a legacy benefit.

Universal Credit will approximately double the number of people who may be sanctioned by JCP by placing 2 further groups of people under conditionality



- UK wide around 300,000 parents of children aged 3 and 4 will become sanctionable.
- Around 1 million low paid workers will be required to attend JCP and complete tasks a work coach believes will improve their income on pain of sanction.

Sanctions become more severe by running repeat sanctions consecutively rather than concurrently and by changing hardship payments for those facing destitution from payments into loans.

The belief that threat and punishment is an effective way to get people into work is deep seated. Despite the Government's commitment to this policy as noted by the National Audit Office amongst many others, they are unable to produce any evidence to demonstrate the rise of sanctioning has had positive effects. While the DWP did not evaluate the impact of its sanctions policy the NAO did. It found that from the available data sanctions were not achieving their aims and indeed were positively damaging people who were unable to work due to ill health.

The Welfare Conditionality project indicates that the effects of sanctions are "profoundly negative", and in a finding that chimes with the experience of the church that positive outcomes happen when people are supported by those they trust to make substantial life changes or overcome barriers. Sanctions positively hinder this.

The potential problems created by widening conditionality will be compounded by the decision to close JCPs across the country, making it more difficult for all claimants (including in work claimants) to access job centres.

10. Self-employment and Universal Credit

Universal Credit makes the assumption that the minimum a self-employed person earns is the same as working 35 hours a week at the National Living Wage.² If a person earns less than that their benefits are reduced as if they earned that amount.

This is calculated on returns given monthly to the Jobcentre on a cash-in-cash-out basis. This greatly simplifies the DWP's job in calculating Universal Credit but at a cost to claimants because for example investing heavily one month in order to make money in later months will reduce benefit entitlement dramatically.

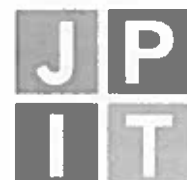
The consequences of this design choice are yet to filter through because very limited numbers of self-employed people have been allowed onto UC and because there is a start-up period of 1 year where the income rules are not applied.

11. Expansion of the 2-child rule

Currently the 3rd and later children are denied tax credits or Universal Credit only if they were born after April 2017. This is in keeping with the idea that the policy was intended to affect the decisions of families to have more than 2 children.

From November next year for new claims all 3rd and above children (with some exceptions) will be denied benefits. This means that 3rd children conceived 16 years before the 2-child policy was ever thought of will be denied benefits.

² This amount is reduced for those with limited availability for work.



These parents could not possibly have known that having a 3rd child was to be penalised when they decided to have a child. This cut on families at high risk of poverty cannot be described as an incentivising behaviour change, it can only be a very cruelly targeted cut.

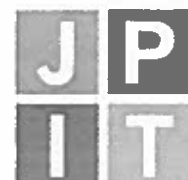
12. Single monthly Universal Credit payment

In England and Wales Universal Credit is normally paid into a single bank account monthly. The devolved administrations of Northern Ireland and Scotland have used their powers to alter this pattern.

The Government's view is that a single monthly payment is the norm for working families. While this is correct for some families – especially the more affluent – it is not the case for many. The option to choose fortnightly payments allows families to tailor payments to their needs and working patterns.

The option to have rent paid to landlords direct is an important safeguard ensuring that even in very difficult circumstances paying the rent is prioritised. It is also important in giving confidence to landlords who may not otherwise rent to those receiving benefits.

Split payments between couples are an important safeguard against the all too common practice of an abusive partner using finance as a means of control and coercion:



Conclusions

We would join the many other charities and civil society groups calling for the Universal Credit to be delayed until some fundamental problems with the design and implementation have been resolved. While the Government contends that this would lead to 250,000 fewer people in work, the published evidence does not support this claim.

Evidence from CAB and Trussell Trust, supports what has been reported anecdotally by individuals, social action projects and church leaders, which is that Universal Credit causes many families hardship, that landlords find it difficult to rent to families supported by Universal Credit and that the problems people are having are taking months to resolve.

We do not believe the design of Universal Credit has sufficiently taken into account the lives, skills and resources of the least well off. We would commend the work of Poverty Truth Commissions,³ where people struggling against poverty have the opportunity to work alongside officials and policymakers so that their experiences are given appropriate weight. We would suggest that this type of process would be a model for repairing and improving Universal Credit.

³ eg. Scotland's Poverty Truth Commission: <https://www.faithincommunityscotland.org/poverty-truth-commission>

Produced by the Joint Public Issues Team

www.jointpublicissues.org.uk



The Methodist Church



The Church of Scotland



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Want to find out more about City of Plymouth Credit Union?

Why not visit us in the City Centre at Frankfort Gate? Opening times are:

Monday	10:00am – 4:00pm
Tuesday	10:00am – 4:00pm
Wednesday	Closed
Thursday	10:00am – 7:30pm
Friday	10:00am – 4:00pm
Saturday	10:00am – 1:00pm
Sunday	Closed

Full Address: 26 Frankfort Gate, Plymouth. PL1 1QD.
Telephone (01752) 212340

Or our Devonport Office in Cumberland Street? Opening times are:

Monday	10:00am – 4:00pm
Tuesday	10:00am – 4:00pm
Wednesday	Closed
Thursday	10:00am – 4:00pm
Friday	10:00am – 4:00pm
Saturday	Closed
Sunday	Closed

Full Address: 14 Cumberland Street, Devonport, Plymouth. PL1 4DX
Telephone: (01752) 201329

Registered Office: 14 Cumberland Street, Devonport, Plymouth, PL1 4DX. Registered Number IP00560C
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FIRM 211303

A Member of the Association of British Credit Unions Ltd (ABCUL)



Please note we are required by law to request two recent and original

(i.e. not photocopies) forms of identification on application for membership, one from each type confirming both address and identity.

Type One (confirming name)

- Current signed passport
- Resident permit issued to EU nationals by the Home Office
- Current UK/EU Photo driving licence or full UK driving licence
- State pension/benefit book or notification letter
- Inland Revenue Tax notification

Type Two (confirming address, dated within the last three months)

- Recent Mortgage statement
- Wage Slip
- Current local authority tax bill
- Local Authority/Housing Association rent card or tenancy agreement

Cardholder fee summary

- Monthly management fee £2.00
- ATM withdrawal £0.70
- Direct Debits/Standing Orders £0.50
- Unpaid Direct Debit FREE
- Retailer Cashback Rewards
- Faster Payments £0.50

Change Account is issued by R. Raphael's & Sons Plc pursuant to licence by MasterCard International Incorporated. MasterCard is a registered trademark of MasterCard International Inc. R. Raphael's & Sons Plc is a UK Bank and is authorised by the Prudential Authority and regulated by the Financial Conduct 161302), and is permitted to issue emoney. Head office and registered office- 19-21 Shaftsbury Ave, London W1D 7ED. Company number 01288938 Authority and the Prudential Regulatory Authority (registration number 161302), and is permitted to issue emoney. Head office and registered office- 19-21 Shaftsbury Ave, London W1D 7ED. Company number 01288938

Visit us at www.cpcu.co.uk

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Designed with Credit Union Members in mind

Market leading features and benefits



Change Account key features

- Individual sort code and account number
- Card and Registration Free
- Faster Payments
- Direct Debits
- Mobile Apps
- 24/7 Customer service
- Retailer Cashback Rewards
- Money management tools that guarantee fulfilment of scheduled payments

Bank/Building Society statement or pass book with recent transactions.

Recent gas/water/electricity bill (not mobile phone)

State pension/benefit book or notification letter

Inland Revenue tax notification

In exceptional circumstances an original letter from a person

in reasonable authority, such as a teacher, doctor, social worker, minister of religion, hostel manager or solicitor may

be accepted as evidence of identity.



Are you ready for the new benefit changes?

Universal Credit is a new simpler, single monthly payment for people in or out of work, which merges together some of the benefits and tax credits that you might be getting now.

Universal Credit will replace:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credit
- Working Tax Credit
- Housing Benefit.

If you're on a low income, you will probably still get Universal Credit when you first start a new job or increase your part-time hours.

- Bank/Building Society statement or pass book with recent

Acceptable Transaction Types

- Recent gas/water/electricity bill (not mobile phone)
- State pension/benefit book or notification letter
- Inland Revenue tax notification
- In exceptional circumstances an original letter from a person in reasonable authority, such as a teacher, doctor, social worker, minister of religion, hostel manager or solicitor may be accepted as evidence of identity.

Looking for an account to take your universal credit?

Having problems opening a bank account?

Why not open an account with "City of Plymouth Credit Union"

Just proof of address and ID needed. Joining fee of £2.

Please note we are required by law to request two recent and original (i.e. not photocopies) forms of identification on application for membership, one of each of the following type.

Type One (confirming name)

- Current signed passport
- Resident permit issued to EU nationals by the Home Office
- Current UK/EU Photo driving licence or full UK driving licence
- State pension/benefit book or notification letter
- Inland Revenue Tax notification

Type Two (confirming address, dated within the last three months)

- Recent Mortgage statement
- Wage Slip
- Current local authority tax bill
- Local Authority/Housing Ass rent card or tenancy agreement

Universal Credit will be paid in a different way to current benefits:

- It will be paid monthly into an account you choose
- If you and your partner are both eligible, you will get one monthly payment for the household
- If you get help with your rent, this will be included in your monthly payment - **you will then be responsible for making payments to your landlord yourself.**

Universal Credit will generally be managed online. You can make your claim online, then check on your payments and updates through your online account.

What is City of Plymouth Credit Union doing to support its members through these changes?

- Offering a Jam Jar Budget account that will set aside your rent and pay this directly to your landlord, protecting your home for you and your family
- Offering a Pre-Paid Debit card to receive monies at a frequency that suits you. Use your card online, in shops, get cash back and withdraw monies at ATMs
- Offer budgeting support.

How it works:

It works by taking your money and dividing into agreed pots that you cannot accidentally spend before the bill is due. We agree with you how much needs to go into each pot and how to manage what is left over. You can decide to have the left-over money transferred to either our card account or to an external account either all at once or divided into weekly or fortnightly amounts. The choice is yours!

Highlights of a Jam Jar Account

- Money cannot be withdrawn until the bill has been deducted
- Allows you to manage your money better
- Pays your bills on time
- Enables you to set savings targets and to budget for specific items
- Manages any debts better
- Helps you to become a better saver.

When you open a Jam Jar account you can set up a regular payment into the account by:

- Having your benefits paid into your account directly
- Transferring from other accounts with your credit union or elsewhere
- Having your wages/salary paid directly into your account

All you need to do is decide which bills and payments you would like to be made on your behalf each week or month and City of Plymouth will do the rest. As long as your income comes into your account as agreed, each of your agreed payments will be made on time. We can then split up the remaining balance into weekly, fortnightly or monthly payments to your pre-paid card, savings or current account.

What are the benefits?

- Stay on top of multiple household bills in a dedicated account
- Take control of when payments should be made - avoid costly bounced direct debit and bank charges
- Prioritise bills so that if you don't have enough to cover all bills the most important are paid.

What bills can I pay?

You can pay any of the following bills:

- Council tax
- Mortgage/Rent
- Electric/Gas
- Water
- And more....

How much does it cost?

The Jam Jar account is FREE to members.

5

Good Reasons

Why your child should
join the
Credit Union

- **Help to teach your child financial responsibility**
- **Children can save for their own wish list**
- **Help teach your child practical numeracy**
- **Make learning fun**
- **Involve your child in making decisions on saving and spending money**

What about you?

Adults can join too.

Want to save for school uniforms or that school trip?

Pamper yourself

Save for a rainy day "or a sunny one".

Or simply lead by example!

STANDING ORDER FORM

City of Plymouth Credit Union Ltd

To the Manager of Bank/Building Society

Branch Address

Sort Code

Account Number

Does this replace any existing standing orders to the Credit Union? Yes / No

Please pay on / / and thereafter each week / fortnight / month

until further notice the sum of £ to the City of Plymouth Credit Union.

Account Holder

Reference Number

Address

Signed Date

CITY OF PLYMOUTH CREDIT UNION LTD Bank Details

Branch Address *The Cooperative Bank, 6 Olympic Court, Salford, M5 2QP*

Bank Sort Code *08-92-50*

Account Number *67004366*

Corporate Accounts

This account can only be used as a dual signatory corporate account and must not be used for personal or any other use.

We are obliged to confirm the true identity of all signature authorities on the account and reserve the right to decline any application or deposit.

A one-off Membership Fee of £5 is required to open the account

The minimum deposit is £5 and the maximum deposit is £15,000.

A minimum of £5 must be held in the account at all times in order to maintain membership.

Authorised persons must take all reasonable security precautions to prevent misuse of the account and account security details (this can include account details, and other security details which can include security codes, passwords or secure personal information which allow access to the account)



JUNIOR SAVER APPLICATION FORM

Title Mr/Miss _____ First Name _____ Initials _____

Surname _____

Address _____

Post Code _____ Telephone No _____

School _____ Membership No _____

Date of Birth ____/____/____ Place of Birth _____ Ethnic Origin _____

Email Address _____

We are required by the Financial Conduct Authority to have proof of your identity in the form of a Birth Certificate. This should be presented with the application form for photocopying. (Please ask a member of the CPCU at your local collection point if you require further information.)

I hereby apply for junior membership and agree to abide by the rules of the CPCU Ltd and declare that the information given by me on this form is true and correct to the best of my knowledge and belief.

Junior Saver Signature _____ Date _____

Parent/Guardian Signature _____ Membership No _____

Proposed by _____ Membership No _____

PLEASE NOTE

- 1) Children's deposits can be paid in at any Collection Point with a Member's Passbook.
- 2) Applications for the withdrawal of Junior Saver's shares must have the signature of the Junior Saver (when over seven years old). It must also bear the signature of at least one parent or guardian who originally signed the JUNIOR SAVER APPLICATION FORM

Christmas Saving Club

Payroll Deduction Schemes

<p>Would you like your next Christmas to be a special one without worrying about the cost? Joining our Christmas Saving Club will help you spread the cost across the year, helping you budget for the festive period ahead.</p>	<p>To open a City of Plymouth Christmas Savings Account simply complete this form and return to us.</p>	<p>Christmas Saving Club Terms and Conditions</p>
<p>Our Christmas Savings Accounts are available to existing City of Plymouth Credit Union members aged 16 or over.</p>	<p>PLEASE COMPLETE IN CAPITALS</p>	<p>1. The Christmas Savings Account is only available to existing City of Plymouth Credit Union Members and may be opened by completing a Christmas Savings Club Application Form.</p>
<ul style="list-style-type: none"> Your savings are safe and covered by the Financial Services Compensation Scheme You can start saving with a minimum £1 each week Join at any time throughout the year Access to your funds from 1st November giving you plenty of time to do your Christmas shopping Account benefits from any Annual Dividend paid Temptation barrier in place to discourage you from dipping into your account before Christmas (£5 penalty for withdrawals prior to 1st November) 	<p>Membership Number:</p> <input type="text"/>	<p>2. A minimum balance of £5 must be maintained in the Christmas Savings Account for the account to remain open.</p>
	<p>Title:</p> <input type="text"/>	<p>3. Savings can be paid into the Christmas Savings Account throughout any given calendar year.</p>
	<p>Forename:</p> <input type="text"/>	<p>4. Any withdrawals from this account for 1st January to 31st October of the same year will incur a penalty of £5 per withdrawal.</p>
	<p>Middle Name:</p> <input type="text"/>	<p>5. From 1st November until 31st December members can get access to these funds without penalty.</p>
	<p>Surname:</p> <input type="text"/>	<p>6. Notice of withdrawal must be made by phoning the credit union office, via CPUCU web site or by completing appropriate withdrawal form.</p>
	<p>Date of Birth:</p> <input type="text"/>	<p>7. Lump sum deposits may be made at anytime into the Christmas Savings Account.</p>
	<p>Home Telephone Number:</p> <input type="text"/>	<p>8. The maximum balance a member can have with City of Plymouth Credit Union is £15,000 over all accounts.</p>
	<p>Mobile Telephone Number:</p> <input type="text"/>	<p>9. An annual dividend will be paid, gross of tax, on all sums deposited in the Christmas Savings Account, subject to surplus.</p>
	<p>E-Mail Address:</p> <input type="text"/>	<p>10. The dividend rate will be determined by the Board of Directors and ratified by the members in Annual General Meeting. Any dividend due will be paid directly after AGM.</p>
	<p>Address:</p> <input type="text"/>	<p>11. Any request to close the account must be made in writing. Closing the Christmas Savings Account between 1st January and 31st October will result in a £5 penalty being charged.</p>
	<p>Post Code:</p> <input type="text"/>	<p>12. No loans are available against this account.</p>
<p>Changes to Credit Union Contribution</p>		
<p>I wish to save <input type="text"/> £ <input type="text"/> into my Christmas Savings Account weekly/Fortnightly/Monthly by the amount above. I agree to pay a £5 penalty for each withdrawal I make from 1st January to 31st October. From the 1st November to 31st December each year, I will be able to access my Christmas Savings without incurring any penalties.</p>		
<p>Signature <input type="text"/></p>		
<p>Date <input type="text"/></p>		

Everyone benefits from having savings – no matter how much or how little money you have. Having some savings allows us to work towards our financial goals and gives us peace of mind should an emergency arise.

Current partners:

- Plymouth City Council
- Plymouth City Bus
- Plymouth Community Homes
- Clearbrook Housing
- Strictly Education
- Nationwide Driver Hire
- Devon County Council

Rent Direct Scheme

The tenant joins the credit union
The council pays the LHA direct to the tenant's credit union account
We then forward this payment to the landlord
This process ensures that all LHA payments are received by the landlord.



APPLICATION FOR MEMBERSHIP (Residential)

Title: *Mr/Mrs/Miss/Ms/Other* _____ First Name _____ Initials _____

Surname _____

Address _____

Post Code _____ Telephone No _____ Membership No _____

Email Address _____

Occupation _____ National Insurance No. _____

Date of Birth ____ / ____ / ____ Place of Birth _____ Ethnic Origin _____

We are required by the Financial Conduct Authority to have proof of your identity and proof of residency within the common bond area of the City of Plymouth Credit Union. These should be presented with the application form for photocopying. (Please ask a member of the CPCU at your local collection point if you require further information.)

I hereby apply for membership and agree to abide by the rules of the CPCU Ltd and declare that the information given by me on this form is true and correct to the best of my knowledge and belief.

Signature of Applicant _____ Date ____ / ____ / ____

Proposed by _____ Membership No _____

Seconded by _____ Membership No _____

Top Ups.

A new application can be considered once you have repaid a minimum Of 50% of your loan. This can only be done once then the loan needs to be fully repaid before further loans can be considered.

New Products

Budgeting Accounts (Jam Jar)

Want to feel confident you won't miss a bill or rent payment?

Jam Jar accounts come with a special feature that allows you to place money aside into Jam Jars, so you don't accidentally overspend.

- Simple to set up
- Helps save money for bills or special occasions
- Protects your money from accidentally being spent

How it works:

Jam Jar Accounts are designed to meet the needs of people who find it difficult to budget and plan their spending. They allow members to split their account balance into different jars for spending, saving, bill payments and to help improve budgeting with low balance alerts and automated transfers between jars.

Universal Credit, benefit claimants may find that a budget account (jam jar account) will assist them to manage their finances. You will be able to arrange for priority payments to be made from their jam jar account, such as rent, council tax, electric, gas and this will offer security to Landlords that rental payments will be made.



Savings Secured Loan

We've just launched a new loan product for members with existing savings over £250. We're offering our lowest interest rate ever if you secure a loan with the savings already built up in your account. You might want a new car, or a holiday, or to carry out some home improvements. By borrowing rather than withdrawing your savings you have the assurance that you'll still have savings capital at the end of the loan.

Borrow any amount equal to or less than your savings balance* from £250 up to a maximum of £10,000 at just 5% Flat 5.12% APR

- A short application form and quick decision time
- No credit check and flexible repayment period, up to 3 years
- Savings equal to the value of the loan put into a 'Pledged Savings' account; These savings cannot be withdrawn throughout the term of the loan and are eligible for a dividend remain covered under the Financial Services Compensation Scheme and
- Savings available for withdrawal once the loan is repaid and any amount above Pledged Savings at anytime.
- Instant Payment.

Dividend payable.

So why wait? We're accepting applications by post, by telephone or via our offices in Frankfort Gate, Stonehouse and Devonport.

"So why should I not just draw my saving"

You will maintain your saving. At the same time have the same amount to spend. In addition, your savings remains covered against death* as well as the loan. At no additional cost. A real benefit as member of City of Plymouth Credit Union.

- Terms and Conditions apply.



Credit Check.

All loans applications are Credit Checked as part of our loan underwriting.

Credit Control.

In order to protect members savings. We operate a robust credit control.

Insurance Cover.

We believe in peace of mind. So most loans but not all are covered on death. Please refer to our Life Insurance Summary cover.

This is a summary of Cover. For full details and copy of the policy. Please contact us.

Loan Policy and Procedure Summary.

Qualification Period.

You must be over 18 years of age before you can be considered for a loan. And you have been saving regular with the Credit Union for at least 13 weeks. The Loan Officer when considering your application looks for a regular saving pattern over that time. Any large deposits in most cases will be disregarded in their calculation.

How to Apply.

Loan applications are available from our Devonport or Frankfort Gate Offices. Or any of our service points. Also available to download from our website. www.cpcu.co.uk Please allow up to 3 working days to process your loan application from receipt.

Assistance.

Staff and Volunteers are always willing to assist with this. After we all know how form filling can be a headache!

First Loan.

Is capped at twice your saving up to a maximum of £3,000. Repayable over 12 months. The premium will never be more than your regular saving prior to applying for loan.

Loan Policy and Procedure Summary.

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Subsequent Loans.

Further borrowing allowed up three times your savings over two years and four times your saving over three years. Limits apply. As your first loan the premium will never be more than your regular saving prior to applying for loan.

Top Ups.

A new application can be considered once you have repaid a minimum of 50% of your loan. This can only be done once then the loan needs to be fully repaid before further loans can be considered.

Wise Finance Loans.

These are small Capacity based loans. That can be applied for without the need to save first. These loans are more expensive than our saving loans.

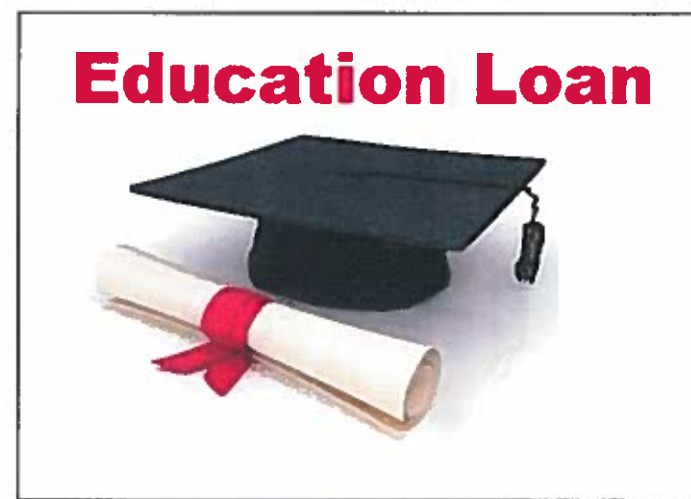
Education Loan

The City of Plymouth Credit Union has just launched its first Education Loan. Over the years, we have helped a number of our members to meet the cost of school and college tuition fees as well as the cost of kitting out children with new school uniforms.

It was clear that this was a financial burden for many people with growing families, so we have created the Education Loan as a specific product to help with these costs. We are launching this at this most opportune time of the school/college holidays, when parents will be preparing to meet those costs, but the loan is available throughout the year. See below for more details.

It's that time of year again – school holidays, and you may be thinking about tuition fees and the cost of new uniforms. The City of Plymouth Credit Union can help. We have established an Education Loan for our members whose children are in school, college or university.

As an example, for a repayment of £183 a month, you can have a loan of £3,000 spread over 18 months to pay for new school uniforms; for £333 per month you could have a loan of £10,000 spread over 3 years to pay for tuition fees. Whatever the need, the CPCU Education Loan is here to help. If you think this could be for you, please call on 01752 201329 where we will be only too pleased to discuss your needs and develop a tailor-made package for you.



Unsecured Homeowner Loans

Un-attaching shares and loans – making loans accessible to those who need them most.

An *unsecured* loan, can be a helpful option for people who want to finance a big purchase, such as a car or a home extension.

As an example, for a repayment of £240 per month you could borrow £6,000 based over a period of 35 monthly payments at 24.00% flat rate. Whatever the need, the CPCU Unsecured Homeowner Loan is here to help. If you think this could be for you, please call on 01752 201329 where we will be only too pleased to discuss your needs and develop a tailor-made package for you.



What Happens Should I Die.

Once we have been informed. If you qualify for an Insurance claim we will contact your nominee or estate and ask for a copy of the Death Certificate.

We will then apply to the Insurance company (CUNA) on your behalf. Any loan and the savings insurance payment will be added to your account. And will be used to pay off any outstanding loan you may have. Any surplus will then be paid to your nominee/estate.

If your loan is not completely paid off. We would contact your nominee/estate for the remaining balance of your loan to be repaid too City of Plymouth Credit Union.

If you do not make regular payments as agreed in the loan agreement you may lose this valuable benefit.

This is a summary of Cover. For full details and copy of the policy. Please contact us.

Savings and Loans Life Insurance “Summary of Cover”

Your Insurer.

As a valued member of City of Plymouth Credit Union your savings and loans are covered by life insurance negotiated with CUA Mutual Life Insurance (Europe) Limited. At no cost to you. Giving you peace of mind should the worst happen.

Shares.

- If you are between the ages 16 and 64 at the time of your death. Your saving less anything you have already drawn out. Will be doubled. Limit of £5,000 applies. Along with any other savings you may have.
- Should you be aged between 65 and 79 at the time of your death. Your savings less anything you have already drawn out. Will be increased by 25%. Limit of £5,000 applies. Along with any other savings you may have.
- If you are aged 80 or over at the time of your death. Your saving will not be enhanced. But your saving will become payable.

Loans.

If you are between the ages 18 and 70 at the time of your death. The balance of your loan will normally be fully repaid.

No Benefit will be payable if death results from an illness or injury for which you received advice, consultation or treatment within 6 months prior to signing the loan agreement. If death occurs after this time. Benefits in accordance with above will be payable.

Your loan is not covered if you are aged 70 or older. Your estate would be need to repay the loan.

Have you heard about our Prepaid Card?

The Change Account

Designed with Credit Union Members in mind

Market leading features and benefits



Change Account key features

- Individual sort code and account number
- Card and Registration Free
- Faster Payments
- Direct Debits
- Mobile Apps
- 24/7 Customer service
- Retailer Cashback Rewards
- Money management tools that guarantee fulfilment of scheduled payments

Cardholder fee summary

- Monthly management fee £2.00
- ATM withdrawal £0.70
- Direct Debits/Standing Orders £0.50
- Unpaid Direct Debit FREE
- Retailer Cashback Rewards
- Faster Payments £0.50

Change Account is issued by R. Raphael's & Sons Plc pursuant to licence by MasterCard International Incorporated. MasterCard is a registered trademark of MasterCard International Inc. R. Raphael's & Sons Plc is a UK Bank and is authorised by the Prudential Authority and regulated by the Financial Conduct 161302), and is permitted to issue money. Head office and registered office- 19-21 Shaftsbury Ave, London W1D 7ED. Company number 01288938 Authority and the Prudential Regulatory Authority (registration number 161302), and is permitted to issue money. Head office and registered office- 19-21 Shaftsbury Ave, London W1D 7ED. Company number 01288938

Financial Services Compensation Scheme Exclusions List

Compare our Rates of Interest

Provider	Loan Amount	Duration	Weekly Payment	Total Interest Payable	Total Repaid	Flat Rate	APR
Savings Secured Loan	£2000*	52 Weeks	£40.00	£50.78	£2050.78	5%	5.12%
CPCU Traditional Loans £2000 and over	£2,000*	52 Weeks	£41.00	£124.19	£2,124.19	12%	12.68%
CPCU Traditional Loans Under £2000	£500*	22 Weeks	£25.00	£25.87	£525.87	24%	24.825%
Educational Loan	£3000*	104 Weeks	£33.00	£370.28	£3370.28	12%	12.68%
CPCU Wise Finance (without a need to save first)	£500	22 Weeks	£25.00	£40.06	£540.06	36%	42.58%
Provident, Local	£500	23 Weeks	£32.50	£247.50	£747.50	-	545.20%
Greenwood	£500	23 Weeks	£32.50	£247.50	£747.50	-	545.20%

*Available to UK residents over 18, applications subject to status –
Minimum saving period for 13 weeks prior to application
Terms Apply

A deposit is excluded from protection if:

- (1) The holder and any beneficial owner of the deposit have never been identified in accordance with money laundering requirements. For further information, contact your bank, building society or credit union.
- (2) The deposit arises out of transactions in connection with which there has been a criminal conviction for money laundering.
- (3) It is a deposit made by a depositor which is one of the following:
 - credit institution
 - financial institution
 - investment firm
 - insurance undertaking
 - reinsurance undertaking
 - collective investment undertaking
 - pension or retirement fund (unless they are deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium, sized enterprises)
 - public authority, other than a small local authority.

For further information about exclusions, refer to the FSCS website at www.FSCS.org.uk

Financial Services Compensation Scheme Information

Basic information about the protection of your eligible deposits	
Eligible deposits in City of Plymouth Credit Union are protected by:	the Financial Services Compensation Scheme ("FSCS") ¹
Limit of protection:	£85,000 per depositor per credit union
If you have more eligible deposits at the same credit union:	All your eligible deposits at the same credit union are "aggregated" and the total is subject to the limit of £85,000.
If you have a joint account with other person(s):	The limit of £85,000 applies to each depositor separately.
Reimbursement period in case of credit union's failure:	20 working days.
Currency of reimbursement:	Pound sterling (GBP, £) or, for branches of UK banks operating in other EEA Member States, the currency of that State.
To contact City of Plymouth Credit Union for enquiries relating to your account:	City of Plymouth Credit Union 14 Cumberland Street Devonport Plymouth PL1 4DX 01752 201329 Email: office@cpccu.co.uk
To contact the FSCS for further information on compensation:	Financial Services Compensation Scheme 10th Floor Beaufort House 15 St. Botolph Street London EC3A 7QU Tel: 0800 678 1100 or 020 7741 4100 Email: ICT@fscs.org.uk
More information:	www.fscs.org.uk

¹Additional information

Scheme responsible for the protection of your eligible deposit

Your eligible deposit is covered by a statutory Deposit Guarantee Scheme. If insolvency of your bank, building society or credit union should occur, your eligible deposits would be repaid up to £85,000 by the Deposit Guarantee Scheme.

² General limit of protection

If a covered deposit is unavailable because a bank, building society or credit union is unable to meet its financial obligations, depositors are repaid by a Deposit Guarantee Scheme. This repayment covers at maximum £85,000 per bank, building society or credit union. This means that all eligible deposits at the same bank, building society or credit union are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with £80,000 and a current account with £20,000, he or she will only be repaid £85,000.

In some cases eligible deposits which are categorised as "temporary high balances" are protected above £85,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits connected with certain events including:

- (a) certain transactions relating to the depositor's current or prospective only or main residence or dwelling;
- (b) a death, or the depositor's marriage or civil partnership, divorce, retirement, dismissal, redundancy or invalidity;
- (c) the payment to the depositor of insurance benefits or compensation for criminal injuries or wrongful conviction.

More information can be obtained under <http://www.fscs.org.uk>

³ Limit of protection for Joint accounts

In case of joint accounts, the limit of £85,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business

partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of £85,000.

⁴Reimbursement

The responsible Deposit Guarantee Scheme is the Financial Services Compensation Scheme, 10th Floor Beaufort House, 15 St Botolph Street, London EC3A 7QU, Tel: 0800 678 1100 or 020 7741 4100, email: ICT@fscs.org.uk. It will repay your eligible deposits (up to £85,000) within 20 working days until 31 December 2018; within 15 working days from 1 January 2019 until 31 December 2020; within ten working days from 1 January 2021 to 31 December 2023; and within seven working days from 1 January 2024 onwards, save where specific exceptions apply.

Where the FSCS cannot make the repayable amount available within seven working days, it will, from 1 June 2016 until 31 December 2023, ensure that you have access to an appropriate amount of your covered deposits to cover the cost of living (in the case of a depositor which is an individual) or to cover necessary business expenses or operating costs (in the case of a depositor which is not an individual or a large company) within five working days of a request.

If you have not been repaid within these deadlines, you should contact the Deposit Guarantee Scheme since the time to claim reimbursement may be barred after a certain time limit. Further information can be obtained under www.fscs.org.uk

Other Important Information

In general, all retail depositors and businesses are covered by Deposit Guarantee Schemes. Exceptions for certain deposits are stated on the website of the responsible Deposit Guarantee Scheme. Your bank, building society or credit union will also inform you of any exclusions from protection which may apply. If deposits are eligible, the bank, building society or credit union shall also confirm this on the statement of account.

Member Get Member

As an incentive to our present members, City of Plymouth Credit union has introduced a Free Prize draw to be held once per month for members who introduce new member(s) during the previous month.

The introduced member(s) may be family members, friends, work colleagues, in fact anyone you can think of who would benefit from joining the credit union.

The only stipulation is that the new member must live or work within the area of Devon, Cornwall or isles of Scilly. The new member should also become a regular saver.



YOUR LOCAL CREDIT UNION

WHAT IS A CREDIT UNION?

"A SAFE WAY TO SAVE. A CHEAPER WAY TO BORROW."

- A Credit Union is a democratic, non-profit making financial co-operative. It is owned and controlled by its' members and every member no matter how much they save has an equal vote in the running of their credit union. The Directors and Officers of the Credit Union are all voluntary and elected by the membership. Paid staff and volunteers run the offices.
- The aims of the Credit Union are to encourage savings, provide loans to members at low rates of interest starting at 1% to 2% per month equivalent of 12.7% APR > 12% flat for loans over £2,000 to 26.8% APR > 24% Flat for loans under £2,000 and provide members with help and advice about money management.

HOW DOES IT WORK?

- Members save regularly into a common fund. This fund is used to finance loans to members. Members are encouraged to save. Each loan application is considered on its' merits and the credit record of the member. Interest received on loans is used to cover running costs and any surplus is repaid to members as a dividend on their savings.
- City of Plymouth Credit Union is open to anyone who lives or works in Devon, Cornwall and the Isles of Scilly

WHAT ARE THE BENEFITS?

- **A convenient way to save** – savings can be made in a number of ways; by cash or cheque at a Member collection points by standing order, by payroll deduction, by post office giro slip or by direct payment of salary, wages or benefits.
- **Low cost loans** – cheaper than most credit cards or banks for small loans.
- **Free insurance** – free life insurance potentially doubles your savings on death and repays any outstanding loans. (18 to 70 years of age and certain financial limits)
- **Fees** – the Credit union will charge a £2.00 membership joining fee.
- **Free** – For Juniors. Our youngest member was 6 hours old. When they joined.
- **Local & Friendly** – a credit union is run by its' members for its' members and as such any dividend distributed and any re-investment is kept in local community.
- **Savings Covered** – By the Financial Services Compensation Scheme. Up to £85,000
- **Authorised** - by the Prudential Regulation Authority and Regulated by The Financial Conduct Authority and the Prudential Regulation Authority. Our firm Reference Number IP00511C

Other Service Points

Monday		
Emesettle Community School Session Emesettle Community School, Biggin Hill, Emesettle, PL5 2RB	9:15 am	11:00 am
Whiteleigh Session St Chad Church, 73 Whiteleigh Green, Whiteleigh, PL5 4DE	10:00 am	10:30 am
Tuesday		
Jan Cutting Session Jan Cutting Centre, Scott Business Park, Beacon Park Road, PL2 2PO	10:00 am	12:00 pm
Wednesday		
North Prospect Community Centre Session North Prospect Community Centre, Engage Church, St Levan Rd, PL2 3BG	11:30 am	12:30 pm
Crownhill Session Crownhill Methodist Church, 3 Crownhill Road, Crownhill, PL6 5AG	10:15 am	11:30 am
Thursday		
Ivybridge Library Session Ivybridge Library, Watermark, Erme Court, Ivybridge, PL21 0SZ	9:30 am	12:00 pm
St Budeaux Session St Budeaux Baptist Church, Flelemoor Road, St Budeaux, PL5 1TF	10:00 am	12:00 pm
Friday		
Welcome Hall Session Welcome Hall, 4 Fore Street, Devonport, PL1 4DN	10:30 am	12:30 pm
Saturday		
Mutley Baptist Church Session Mutley Baptist Church, Mutley Plain, PL4 6LB	10:00 am	11:00 am

Opening Times:

14 Cumberland Street

Devonport

Plymouth

PL1 4DX

Monday: 10:00am – 4:00pm

Tuesday: 10:00am – 4:00pm

Wednesday: Closed

Thursday: 10:00am – 4:00pm

Friday: 10:00am – 4:00pm

Saturday: Closed

Sunday: Closed

26 Frankfort Gate

City Centre

Plymouth

PL1 1QD

Monday: 10:00am – 4:00pm

Tuesday: 10:00am – 4:00pm

Wednesday: Closed

Thursday: 10:00am – 7:30pm

Friday: 10:00am – 4:00pm

Saturday: 10:00am – 1:00pm

Sunday: Closed

Visit us at www.cpcu.co.uk

No appointment needed

Member of the Association of British Credit Unions Ltd.(ABCUL)

Company No. IP00511C.

Authorised by the Prudential Regulation Authority and Regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Our firm Reference Number is Ref No. 213937. City of Plymouth Credit Union Ltd.

Registered Office: 14 Cumberland Street, Devonport, Plymouth.

PL1 4DX. Tel: 01752 201329/310698

City of Plymouth Credit Union Ltd

