

The **co-operative** loan fund borrower case study.

Clockwise Credit Union:

Financial services for community benefit

Clockwise Credit Union is a financial co-operative, owned and controlled by its members, that was established in Leicester in 2002. The enterprise evolved from Highfields Credit Union, which operated in the Highfields region of Leicester for 10 years until it was given permission from the Financial Services Authority in 1992 to offer its services across the city and adjoining county areas.

The credit union is a non-profit organisation that exists solely to benefit its membership - which is currently around 3,000 people that live or work in Leicester, Leicestershire and Rutland. It employs five members of staff, and is assisted by numerous volunteers, to deliver a range of financial products including:

- Savings accounts - these include a Regular Savings Account, Young Savers Accounts for those under 18 years old, and Child Trust Fund Accounts. Clockwise was also one of the first credit unions in the UK to launch a Mini Cash ISA, which offers tax free high return savings for its members. For the last three years it has paid members a 2% dividend on shares (savings), and it aims to increase this dividend in line with growth. The balance of members funds are deposited ethically with approved banks that specialise in working with credit unions.
- Various loan packages with repayments tailored to meet each members personal capabilities.
- Insurance services - including motor, home, travel, and life insurance.
- Payroll deduction scheme - the credit union currently provides this service to Leicester City Council and Leicestershire County Council employees, and it is in negotiation with other major employers within its local area to set up new schemes. The schemes enable employees to submit savings or loan repayments to the credit union directly via their pay packet.

As well as being authorised and regulated by the Financial Services Authorities, the credit union is also a member of the Financial Compensation Scheme, the Financial Ombudsman Scheme, and the Association of British Credit Unions.

In 2007 Clockwise Credit Union received capital from The Co-operative Loan Fund to on-lend to its members. The 10 year base rate loan is subordinated, which means that in the unfortunate event that the credit union suffers severe financial problems, The Co-operative Loan Fund ranks below the credit union savers on the creditors list.

At the time of lending, this was only the second time a subordinated loan has been made in the UK - the first was granted by The Co-operative Loan Fund to Portsmouth Credit Union.

For further information contact Clockwise Credit Union on 0116 2471740 or go to www.clockwise-cu.co.uk

For more information about The Co-operative Loan Fund please contact the fund managers, Co-operative & Community Finance, on 0117 916 6750 , email info@co-opandcommunityfinance.coop or visit www.co-operativeloanfund.co.uk

