



CU Focus

CREDIT UNION ART COMPETITION FINAL



Tyris & under 10
Mullingar
Mullingar Branch
Irish League of Credit Unions Ltd

Editorial

For more than 60 years in Ireland, credit unions have been a cornerstone of their local communities. Relied on and trusted by the members of the community to offer much more than financial services – they contribute in a meaningful way to the social development of their local areas. For more than six decades, credit unions have changed in line with the needs of their communities, but they have always stayed true to their not-for-profit, people-first ethos. Despite challenges and uncertainties, they continue to provide ethical and affordable loans, as well as much-needed financial education and guidance for the people in their communities.

The events of recent weeks, and the global pandemic created by the COVID-19 virus brings with it unprecedented and drastic measures, as countries all over the world react to minimise the devastation caused by this virus. Many of us will have never before experienced anything quite like the circumstances we find ourselves in. As our nation looks to those already in the throes of this crisis to try and prepare us all for what might be ahead, never has the sense of community and working together been more critical.

At the time of going to print, our communities North and South are faced with school closures, job losses and an urgent call to action for each of us to play our part, and keep our distance. That isolation from our loved ones, families and friends at a time of much uncertainty and anxiety is sure to be the most difficult, but crucially important in protecting the most vulnerable among us.

Credit unions are known for always putting the interests of their members first. It is our collective wish that credit unions, where possible, will remain open to provide services to members while, at all times, ensuring the health and protection of credit union staff and members.

In this unprecedented time we recognise that many of our members will face unexpected hardship through unemployment and other events associated with COVID-19. We are urging members to contact their credit union, either by phone or online, to discuss any concerns. We can assure members that they will be treated fairly and with empathy.

Please continue to visit www.creditunion.ie/covid-19/ for up to date advice regarding COVID-19.

Most importantly, take good care of yourself and your families. In these uncertain times, isolated from those we love and care about, it couldn't be more important to help whoever you can, however you can.



Main Cover Image:
Christina Ryan, Runner up in the Special Category for Age 7 & under, pictured with her entry at the Art Competition Final in Croke Park

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New National Credit Union Advertising Campaign Goes Live!

Credit unions across the island of Ireland and in workplaces up and down the land are inviting each and every one of their members to Imagine More!



Imagine a member owned institution, designed to serve members, not profit from their needs.

Imagine a democratic, community based institution that takes decisions locally in the best interest of members.

Imagine a loan from a lender at the heart of your community.

Imagine a straight-forward loan, with no sneaky conditions.

Imagine More is the brand new credit union advertising campaign and is focused on letting members and all loan seekers know that credit unions are not just for small, short term loans but that they can cater for bigger and longer term loans too. Recent regulatory changes in the Republic of Ireland have given credit unions much more flexibility to issue longer term loans and many are also in a position to provide mortgages to their members. Credit unions across the Island of Ireland are open for larger loan needs with their range of "Monster Loans"!

Credit unions are embarking on this new campaign as part of their ongoing commitment to tailoring services and products to the specific needs of their members and hope that it will also strengthen the credit union brand and difference.

As a well-known and well liked Irish institution, credit unions have been an important part of Irish society and Irish communities for decades. Credit unions are seen as a safe, trustworthy institution, a great place to save with and get small loans from. While the credit union is all of those things, there are numerous misperceptions that

exist– most notably around the size of the loans we offer. We cater to all members, at all stages of life – for needs big and small.

The new campaign comes in the wake of Irish credit unions winning the 2019 national Customer Experience Awards. Credit unions were ranked number one for customer experience for the fifth consecutive year in the CXi Ireland Customer Experience report, leading the way for qualities such as integrity, empathy and commitment to delivering services in line with members' needs.

As local, ethical lenders, we take the time to

understand our member's situation. A member of staff will ensure that the loan is suitable to the member's needs and their particular financial circumstance. There are no sneaky penalties for paying a loan back early, nor are there any scary hidden fees or charges on credit union loans.

The campaign will be noticed. It will be loved by some, not by all, but it will attract attention. It will present us differently than our competitors. It will allow us to talk about all of the ways that we can serve our members. And crucially, it will drive loan enquiries, for both small AND larger loans.

As ever, the creative material within the campaign can be personalised/customised for credit unions who contribute to the funding of the National Advertising Campaign (NAC). The Communications Dept. has already been inundated with personalisation requests from credit unions. We would ask that you bear with us for the initial weeks of the campaign as the turnaround times for personalised material will be slightly increased. In addition, there are a number of short video adverts which may be used for in-house TV screens. The radio advert may also be used as hold music. The video and audio files can be requested by emailing communications@creditunion.ie

Through the campaign we'll be asking our members and potential members to Imagine More from their local credit union. We would also like you, credit unions, to imagine what can be achieved if we all get behind this campaign. Imagine the cut through it could have. Imagine that constant drumbeat, nationally, regionally, locally. Imagine a strong, consistent national message, tailored locally for your needs. Imagine the impact that this would have. We will do everything we can to make this campaign a monster success. But with your support and backing, we don't have to imagine a successful campaign...we can make it a reality!

For more information on the campaign rationale, credit union personnel can login to the affiliate area of creditunion.ie and go to Communications/National Advertising Campaign/Monster Loans campaign.

HOW ARE CREDIT UNIONS DIFFERENT?

IMAGINE a more ethical financial institution that exists solely for the benefit of it's members not to profit from them

IMAGINE a more genuinely community focused financial institution

IMAGINE a more personal customer service

IMAGINE a more flexible lender that understands you!



Credit Union
IMAGINE MORE

Artists take the Walk of Life at National Art Competition Final

Budding artists from the four corners of Ireland took the 'Walk of Life' to Croke Park on Sunday 9th February for the final of the annual, All-Island Credit Union Art Competition. 30,000 entries were received for the Irish League of Credit Unions (ILCU) competition, which in its 36th year, is one the longest-running competitions of its type. The winners from across the age spectrum, received cash prizes from MC Marty Whelan at the gala prize-giving ceremony.

The theme for the 2019 competition was the 'Walk of Life'. This was specifically designed by credit unions to encourage participants to think about how society and communities change, grow and develop for the better. Irish communities have encountered many changes in recent years to ensure the country is a more inclusive, diverse and liberal place to live in. Participants gained inspiration from the positive changes they have witnessed in their own local communities, or in wider society. Others depicted positive changes they have gone through themselves as individuals, as they continue the journey through life, while some entrants depicted some of the struggles society has faced.

The theme inspired some deeply thought-provoking and inspiring works, ranging from depictions of the path of life through nature, a depiction of evolution and the influence of the digital world in society today. One stand out piece also depicted how homelessness can affect any

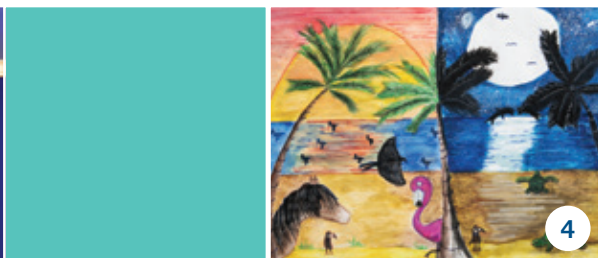


walk of life, which was a nod to the reality facing so many in today's world.

Speaking at the awards ceremony, ILCU Head of Communications, Paul Bailey said: "There is a thriving creative and artistic community across the island of Ireland and the credit union movement is dedicated to supporting and developing this community. Our annual art event is just one example of the great work credit unions do in their local communities to ensure that both young and old have an outlet for their creative skills. This year credit unions wanted to use the

opportunity to promote the message of culture and positive change in their communities, and the theme they have designed has led to some exceptional artistic creations."

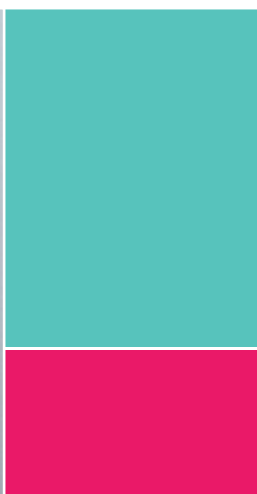
In addition to the ten individual winners and one group winner, there were 22 runner-up and merit awards. Age categories encompassed 7-years-and-under to 18-years-and-over. There was also a category for artists with learning difficulties. The competition is facilitated by credit unions in the Republic of Ireland and Northern Ireland.



ART COMPETITION WINNERS – GENERAL CATEGORY

Chpt	Name	Credit Union	Category	Position
23	Brianne Herlihy	Rathmore & Dist	7 yrs & under (G)	Winner
19	Dónall McDaid	Ballymote & District	7 yrs & under (G)	Runnerup
6	Veronica Jhuboo	Drogheda	7 yrs & under (G)	Joint Merit
9	Ella Kelly	Arklow	7 yrs & under (G)	Joint Merit
1	Josh Cunningham	Derry	8 to 10 years (G)	Winner
6	Aoife Kearney	Virginina	8 to 10 years (G)	Runnerup
22	Dibyashree Mistree	St. Agnes	8 to 10 years (G)	Merit
11	Alina Tal	Ballincollig	11 to 13 years (G)	Winner
25	Eline Lund	Dunboyne & Dist	11 to 13 years (G)	Runner up
1	Holly Towey	Donegal town	11 to 13 years (G)	Merit
1	Hannah Park	Derry	14 to 17 years (G)	Winner
25	Shona Beedall	Dunboyne & Dist	14 to 17 years (G)	Runner up
2	Stephen Murray	Antrim	14 to 17 years (G)	Joint Merit
9	Daniel Pong	Enniscorthy	14 to 17 years (G)	Joint Merit
9	Aoibhinn Kinsella	Altura	18 years & over (G)	Winner
5	Lauren McKenna	Monaghan	18 years & over (G)	Runnerup
8	Niamh O'Toole	Goresbridge	18 years & over (G)	Merit

1. The Christina Ryan Fan Club descended on Croke Park for Kerry's big win at the Credit Union Art Competition.
2. Hannah Park from Derry Credit Union, winner of the 14 to 17 years category, with a self-portrait.
3. Alina Tal's take on the digital world's influence on society
4. Ana Jorge, winner of the 11 to 13 years category.
5. Christina Ryan delighted with her win in Croke Park
6. Aobhinn Kinsella portraying how homelessness can have an effect on any walk of life.
7. Brianne Herlihy's winning painting in the 7 years & under category.



ART COMPETITION WINNERS – GENERAL CATEGORY

Chpt	Name	Credit Union	Category	Position
5	Summer McDonald	Monaghan	7 yrs & under (S)	Winner
23	Christina Ryan	Rathmore & Dist	7 yrs & under (S)	Runnerup
11	Liadán Ní Chruaíaoich	Our Lady Crowned	7 yrs & under (S)	Merit
22	Sophie Kennedy	Core	8 to 10 years (S)	Winner
12	Ellie McAuliffe	Mallow	8 to 10 years (S)	Runnerup
19	Rhianna Reed	Boyle	8 to 10 years (S)	Merit
2	Ana Jorge	Antrim	11 to 13 years (S)	Winner
1	Callum O'Donnell	Donegal town	11 to 13 years (S)	Runnerup
4	Thomas-James Jamison	Kilkeel	11 to 13 years (S)	Joint Merit
12	Noreen Bradley	Macroom	11 to 13 years (S)	Joint Merit
10	Jeff Iwere	St. Dominic's	14 to 17 years (S)	Winner
13	Sinead Duggan	St. Francis	14 to 17 years (S)	Runner up
17	Adam McHugh	Omagh	14 to 17 years (S)	Merit
14	James Wellwood	Thurles	18 years & over (S)	Winner
5	Alana Barry	Castleblayney	18 years & over (S)	Runnerup
23	Ger O'Mahony	Killarney	18 years & over (S)	Merit
5	Class 1 B (7 yrs under)	Connect	Group	Winner

8. James Wellwood (18 years and over) takes us on a walk of life through a forest
 9. Adam McHugh merit in the 14 -17 year old category.
 10. Runner-up in the 18 years and over category Alana Barry, discusses her painting with Marty Whelan.
 11. Shona Beedall (right) and Christina Ryan (left) pose with their winning paintings.
 12. Summer McDonald (7) tells MC Marty Whelan about her painting



PERSONAL MICRO CREDIT: TACKLING EXCESSIVELY HIGH COST CREDIT IN IRELAND

“Capital Credit Union has provided ‘It Makes Sense’ loans since 2016 and see it is an essential service for credit unions to provide. These loans are well received by our members who find repayments through the Household Budget Scheme to be invaluable. The scheme has enabled our members to obtain credit, build a credit history and importantly it provides a valuable alternative to money lenders. The ‘It Makes Sense’ loans are business as usual for us in how we serve our community.”

Gerry McConville, CEO, Capital Credit Union

Background to the PMC Initiative

The PMC initiative was triggered by a desire to tackle the injustice of the most vulnerable in Irish society paying excessively high interest rates and charges for small personal loans. Permitting organisations to charge €280 interest on 2 x €500 loans over 12 months at an APR of 187% is wrong and unethical. The first element of the PMC initiative is the ‘It Makes Sense’ loan offering through credit unions. The second element is addressing how to help people to switch to more affordable credit options. A Task Force comprising the Dept. of Finance, Dept. of Employment Affairs and Social Protection, Central Bank, Citizens Information Board, ILCU, CUDA, CUMA and Social Finance Foundation(SFF) has been set up to oversee the initiative.

Why ‘It Makes Sense’ makes sense

The ‘It Makes Sense’ loan is offered in 50% of credit unions. Each of these use it as they need – there is no obligation to write any loan. It is not risk free lending with willingness to repay being as important or greater a factor of success than capacity to repay. Credit unions are 100% in control. Aimed at social welfare recipients it involves automatic loan repayment deductions from welfare payments, using An Post’s Household Budget Scheme (HB). The elimination of the 25c transaction fee by the Department of Employment Affairs and Social Protection has long been fought for and is welcomed.

“Phibsboro & District Credit Union has actively supported the ‘It Makes Sense’ Loan since its introduction and we view it as an intrinsic part of our ethos and community responsibility. The scheme is a small step towards improving access to credit but it is far greater step towards improving our community contribution and linkages.”

Sean Nolan, Chair, Phibsboro & District Credit Union



IMPROVEMENTS

REDUCED COST – 25c FEE ELIMINATED:

- No transaction costs for Household Budget (HB) loan repayments
- No transaction costs apply even when the member moves to a standard loan

REDUCED ADMINISTRATION:

- Payment process is automated

REPAYMENTS:

- Borrower can retain the HB repayment method even when they graduate to standard loans

SAVINGS:

- Allowed as part of the loan repayment through the HB

“Since the inception of “It Makes Sense” loans Rathkeale and District Credit Union has assisted many in our local communities to overcome the debt burden that arises every now and again particularly during school term. Many of these people have become good members and have continued on to our mainstream loan products and indeed have begun to save. Since January 2020 we are delighted that the 25c fee has been eliminated and I would encourage all credit unions to get involved to help those less fortunate who are caught in the hands of the moneylenders to consider credit unions as their only choice for loans.”

Margaret Heffernan, CEO, Rathkeale and District Credit Union.

Helping people to switch

Notwithstanding the many benefits of borrowing from credit unions, borrowers will continue to use moneylending organisations for a variety of reasons. Moneylending organisations will continue to exist and thrive (at the expense of the borrower) for as long as they are permitted by the Central Bank of Ireland (CBI) to charge the rates they do. CBI currently permit such rates because home collection by moneylenders is a very costly method of obtaining repayments of loans. Excessive rates offset the high labour costs. Post the launch and rollout of the ‘It Makes Sense’ loan, the next stage of the PMC initiative was a research project, undertaken by University College Cork - and funded by SFF and the Central Bank of Ireland - which examined the incidence of interest rate restrictions (IRR), or caps, internationally. It identified that 21 of 28 EU countries

had some form of IRR in place. The justification for these IRRs was mainly ethical.

It recommended that the Government in Ireland also prohibit excessive rates of interest, with the credit unions being an alternative credit source. The introduction of a cap on moneylenders could result in them having to change their high cost, labour intensive and outdated model of home collection of repayments. In May 2019, the Dept of Finance issued a public consultation on capping moneylender rates, while an ongoing Private Members Bill (Sinn Féin) seeks to cap moneylending rates at 36%.



“We in Donore Credit Union were initially reluctant to roll out the ‘It Makes Sense’ loans – we felt it may stigmatise some members while also inviting in new borrowers who were under mistaken impression that it was ‘free’ money and had no intention of repaying. Overall, however, our experience is different. The ‘It Makes Sense’ loan has proved to be an avenue for genuine new members who are caught in a cycle of recurring high cost debt to come in and for us to put in place a managed solution while our loan officers are experienced enough to spot opportunists. Two key features have been (i) noticeable how much ‘money lender’ debt there is – and credit unions can solve that problem; and (ii) The transition of ‘It Makes Sense’ loans to regular loans is very high and very successful. We would recommend credit unions roll out the ‘It Makes Sense’ loans as part of the lending strategy.”

David McAuley, CEO, Donore Credit Union

Our Ask

The PMC project team continues to seek improvement to the ‘It Makes Sense’ loan and press for a cap on unethical rates – ideally this would be introduced in a graduated way to allow borrowers and lenders adjust. Our ask is that your credit union lends its voice to the initiative. The addition of more credit unions as supporters of PMC reinforces the role of credit unions and assists the wider PMC debate.

If you would like to find out more about joining the PMC initiative, please contact:

Lisa Magee
Email: lisa.magee@afanite.com
Dedicated PMC Helpdesk: Tel: 01 614 6737

'It Makes Loan' Case Study: Tubbercurry Credit Union

“It Makes Sense” Loan was launched in Tubbercurry Credit Union in September 2016. We wanted to facilitate our members on social welfare and offer an alternative to money lenders. Since we started, we have issued over 400 loans valued €200,000.

The average value is €500. 95% of those members who have now moved to ordinary loans still opt to pay through the “HB” scheme. We feel it is an outstanding success. We have written off 4 small loans in the 4 years. Of them 1 member has since repaid in full and a 2nd is making regular repayments.

There was extra work involved initially but it has improved and is now routine. Weekly repayments are automated and dropping the 25cent transaction charge since the 1st January is definitely a help.

At present we have 92 weekly payments with a value of over €2000 coming in to this credit union.

For a small rural community, it is a great achievement. We still have money lending locally and we are constantly

trying to educate people of the benefit of getting a PMC loan from us.

We would recommend other credit unions to get involved. Credit unions were set up to make credit available to everyone in society and we should never forget that no loan is too small.



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DATA PROTECTION AND ACCOUNTABILITY

Under Article 5(2) of the General Data Protection Regulation (GDPR), the new principle of **accountability** was formally introduced to data controllers including credit unions.

A solid documented data governance structure will ensure that compliance with the ‘accountability’ principle can be demonstrated. This article provides insight into data governance and into how a framework for same should be at the core of the credit union’s data protection practices.

Accountability & Data Governance

Accountability and data governance are inextricably linked. Like any governance framework, good data governance has as its basis the ‘tone from the top’ and it is vital that the credit union’s board of directors are aware of the credit union’s obligations as a data controller.

A framework is not merely in place to satisfy a regulatory requirement but can demonstrate to the membership that the credit union takes individual member data very seriously. Additional benefits include the following:

- With a holistic view – facilitated by a working framework – of all things data protection in the credit union, the board of directors has effective oversight of same and can ensure it is appropriately resourced;
- Good standards of data protection will contribute to a strong reputation for the credit union and provide a competitive edge;
- An appropriate framework will help mitigate risks of data breaches; and in the case where breaches occur, the framework will enable the credit union to better respond to and rectify such breaches;
- With a strong and informed ‘tone from the top’, the importance of solid data protection practices is clear to all officers of the credit union ensuring they remain vigilant at all times around same.

The board of directors is ultimately responsible for the credit union’s data governance framework and for ensuring the credit union meets all of its statutory and regulatory obligations. An effective framework therefore must have as its basis this ‘tone from the top’ from directors who: (i) actively discuss compliance issues, including data protection, at board meetings (ii) include compliance risk considerations in the strategic plan and (iii) lead by example by fostering a culture of ‘taking data protection seriously’ in the credit union.

The framework should contain the following:

This can be applied in a credit union context in the following way:

Framework Component	Details
Leadership & Oversight	<ul style="list-style-type: none"> • Oversight by the board of directors • Appointment of a data protection officer (DPO) • Regular reporting by DPO to the board • Accountability • Proven demonstration of a data protection culture e.g. a ‘charter’ based on the GDPR principles. Important: Can directors communicate the data privacy strategy of the credit union? • Documented approach for communicating with all stakeholders i.e. members; data protection authority; board; credit union officers; service providers; etc. • Highlighting the importance of data governance to the strategic plan
Risk Assessment	<ul style="list-style-type: none"> • At a holistic level • At product and service level • Data protection impact assessments • Risks to the credit union • Risks to the data subjects i.e. member and officer • Feedback from regulatory audits that have been conducted on the credit union; and/or at sectoral level
Policies & Procedures	<ul style="list-style-type: none"> • High-level data protection policy to reflect the GDPR principles • Individual policies as required, for example IT policies; DPIA policy; direct marketing; retention etc. • Management of outsourced service providers (data processors) • Data transfer mechanisms



Framework Component	Details
Privacy by Design	<ul style="list-style-type: none"> • Templates and tools • Processes and checklists • DPIA • Build privacy by design into each new product, service or process
Transparency	<ul style="list-style-type: none"> • Privacy statements and notices to members; employees • Breach notification process • Process for data subject access requests
Training & Communication	<ul style="list-style-type: none"> • Mandatory data protection training for all credit union officers. Remember all officers are stakeholders • Awareness raising campaigns
Monitoring & Verification	<ul style="list-style-type: none"> • Internal records of individual processing activities • Work plan of the DPO • Audit and monitoring to be conducted by the compliance function • Role of internal audit where applicable • Documentation and evidence management i.e. – consent; legitimate interest; processing agreements; breach response plan etc. Record keeping • Regular updating of the data register/inventory
Response & Enforcement	<ul style="list-style-type: none"> • Individual complaints handling • Breach reporting, response and rectification • Managing interaction with the Information Commissioner’s Office (ICO) • Internal enforcement for non-compliance <p>Important: Good data governance and demonstration of same is a strong mitigant for reputational risk in the area of data protection.</p>

Role of the DPO

This article has reinforced the importance of a strong data governance framework in the credit union and the key role that the role of the board and tone from the top plays in achieving same. The key enabler to this framework however is the role of the DPO and how the DPO can ensure that the governance framework has the required ‘moving parts’ and continues to be effective. This is reflected in the WP29 Guidance on the role of the DPO: “The GDPR recognises the DPO as a key player in the new data governance system and lays down conditions for his or her appointment, position and tasks.” It is therefore important that if the credit union appoints a DPO that the following at a minimum is ensured in terms of the governance framework:

- A direct reporting line to the board;
- Sufficient independence to carry out the duties of the role effectively;
- Direct involvement in projects to consider new product/service offerings;
- Direct communications with all officers to ensure training etc. is conducted; and
- A risk-based approach to assist in directing the DPO’s focus to the required business activities/areas.

The decision to appoint/not to appoint a designated DPO is hugely important under the GDPR and credit unions are reminded that regardless of their decision, they must document the rationale for same.

Conclusion

As discussed throughout, credit unions cannot be sufficiently GDPR-compliant unless all of the moving parts of the data protection framework are effectively overseen. It is therefore a useful exercise for the compliance function/DPO to determine what framework if any currently exists and to ensure that buy-in for creating a framework is reached with the board and senior management.

Training can go a long way in achieving good standards of data governance: annual training for officers on data protection should be specific to the data governance framework of the credit union and not focus solely on general data protection policies and procedures though the latter must of course also be addressed. In addition, particular focus to the risk profile of the actual credit union (and outcome of DP risk assessments) must be given and not just to the perceived sectoral/environmental risks. Credit unions should also pay particular attention to feedback to the sector and indeed beyond from regulatory audits as they can assist in highlighting where the common risks lie.

HOUSE LENDING

THE IMPACT OF CP125 FOR CREDIT UNIONS

Combined concentration limits, expressed as a percentage of total assets, have been introduced for house and business lending for all credit unions on a tiered basis.



An adjusted inner concentration limit is being included, which specifies that no more than 5% of total assets may be exposed to business lending. Therefore, whilst this inner concentration limit will apply to business lending, the Central Bank has decided to exclude it for house loans so that a credit union may undertake up to 7.5% (or 10% or 15% where appropriate) of total assets in

house lending if it wishes to do so. This approach will therefore allow greater flexibility for those credit unions that may not wish to undertake business lending, or to do so on a more limited basis, to utilise the available capacity for house lending.

The table below illustrates the concentration limits available to credit unions from January 2020.

Credit Union Asset Size	House Lending	Illustration By Asset Size	Illustration Portion of Loan Book as House Loans
<€50 Million	Up to 7.5% of Assets (if no Business Lending)	€49.9 Million Asset Credit Union	€3.74 Million House Loans
€50 Million to €99.9 Million	Up to 10% of Assets subject to holding 12.5% Regulatory Reserves (if no Business Lending)	€50 Million Asset Credit Union	€5 Million House Loans
		€99.9 Million Asset Credit Union	€9.99 Million House Loans
€100 Million +	Up to 15% of Assets (if no Business Lending)	€100 Million Asset Credit Union	€15 Million House Loans

The service provided by the Home Loans CUSO will support credit unions to leverage these concentration limits on a prudent and managed basis.

For further information and to gain a detailed understanding of this service please email mortgagehub@creditunion.ie or call us at 01 614 6973.



MAJORITY OF IRISH CREDIT CARD USERS UNAWARE OF INTEREST RATE THEY PAY - OR HOW IT IS APPLIED

New national research found that two thirds of the population own a credit card but 58% don't know what interest they pay. Of those that say they are aware of the rate they pay, over half believe they are paying less than 10%, with a significant number of respondents not understanding how that interest is applied.

Notably, two thirds of the population believe credit card companies in Ireland don't do enough to explain how these rates work, with 70% saying Irish consumers are too reliant on this method of lending. As well as highlighting lack of knowledge around card rates, the survey examined consumer spending habits – and found more than half of card holders use it to buy ad hoc items.

Interest Rates

Almost six in ten credit card holders don't know what interest rate they pay and almost 40% are unsure how that rate is applied. Of those that state they are familiar with their credit card interest rate:

- One quarter think they pay less than 5% in interest.
- One fifth think they only pay between 6% and 10%.
- 28% think they pay between 11% and 17%.
- 27% think they pay 18% to 24%.

In reality, credit card interest typically ranges from between 13% to 23% in the Irish market.

Of those who claimed to know what rate they paid, there was confusion around how that rate was applied. 36% of credit card holders incorrectly state they “don't pay any interest” if they cover the minimum balance due at the end of each month. The same amount, (36%) correctly state they pay interest on the full balance as well as interest on the outstanding balance from the date of the transaction.

Spending Habits

Almost two thirds of the population (58%) own a credit card and more than half will use it to buy ad hoc items. 16% will spend it on a holiday while just 11% made a New Year resolution to throw the card away.

A significant 70% of credit card holders plan to use their monthly income to clear their balance fully every month. 63% of adults state that they have never missed a loan or credit card repayment giving them a perfect credit rating.

Attitudes

70% of adults agree that people in Ireland rely too much on credit cards for making purchases while 43% believe people are spending the same, or more on their credit cards.

68% are convinced that the general public lacks an understanding of how credit card interest works. 72% of respondents believe credit card companies in Ireland don't do enough to explain how credit card interest works, whereas nearly a quarter or 24% feel that users spend less on their credit cards than before.

Central Credit Register

45% of adults surveyed said they have never heard of the Central Credit Register - 6% more than last year. A further 24% having some awareness but not sure of its role.



39% won't change their behaviour towards loan repayments after hearing about the CCR, basing their confidence on past ability to meet repayments. 20% will try to be more diligent in making repayments on time.

Commenting on the findings, ILCU Head of Communications, Paul Bailey said:

“Since issuing a similar survey last year, there has been a notable lack of improvement in consumer awareness around credit card interest and how that interest is applied. With a significant number of people in the country still using credit cards to fund ad hoc items, it is concerning that lack of knowledge on interest rates remains very much widespread.”

“Many people believe credit card companies aren't doing enough to explain how interest rates work. There are other places that encourage consumers to use resources such as The Competition and Consumer Protection Commission website, which provides simple explanations on financial products. At the credit union, we like to provide an open environment that provides guidance and support to anybody with these types of queries.”

“On a positive note - there has been an increase in the number of people who are aware of the Central Credit Register and with a fifth saying they would try be better at making payments on time, so we hope to see more optimistic changes in 2020.”

2020 YOUTH AND MARKETING CONFERENCE

The climate emergency and the critical role which credit unions can play in this important area was the overarching theme of the 2020 Credit Union Youth and Marketing Conference. The Conference took place in the Tullamore Court Hotel on Saturday 22nd and Sunday 23rd February, was attended by more than 140 credit union staff members and volunteers from across the island.



Gavin Forkan from Plan Energy spoke to delegates about 'green' lending opportunities.

Welcoming delegates to the Conference, ILCU President Gerry Thompson underlined the importance of credit unions playing their role in leading the development of sustainable communities. Speaking at the Conference, Gerry said:

"For ourselves, as credit union people who are deeply embedded in our local communities, listening to the views of those who warn us about the climate crisis is not enough. Like everyone else, we will be judged by our actions. As genuine credit unions activists with our core belief of social responsibility there is much more we need to do to ensure that we are playing our role".

Keynote Speaker

17 year old climate activist Saoi O'Connor, from Skibberreen in Cork, was the keynote speaker for the Conference. Saoi has very much led the charge in relation to raising awareness of the climate crisis in Ireland. She spoke about her own role in the 'Friday's for Future' campaign, a grassroots youth movement striking to protest government inaction on climate issues.

Speaking at the conference, Saoi said:

"It's hard to get people to understand that the climate crisis and climate change is something that is really going to affect them in their everyday lives. It's something we've been hearing about as this abstract concept that's happening in the background for years now. It's hard to get people to take that seriously as a threat when they just consider it a part of normality".

Green Panel Discussion

Following the presentation, a panel discussion ensued to explore what credit unions can do at a local level, both to ensure that they are leading the way in terms of sustainability, but also

to help to lead their communities in that regard.

Christine Barretto shared some insights into her role as a Climate Ambassador for Health Services Staffs Credit Union HSSCU and also into the work which has been carried out to make the credit union more environmentally friendly.

Marion King from Greenhills and District Credit Union shared some insights on how her credit union has developed a number of initiatives to reduce their carbon footprint, including moving towards being paperless and also in retrofitting their credit union building.

Deirdre Lane from Shamrock Spring delivered an external perspective on the opportunities for credit unions in this area. She encouraged the delegates to actively consider how each person could make a difference in their credit union, noting the cumulative impact of each person playing a part.

In keeping with the green theme, Gavin Forkan from Plan Energy also addressed the conference on green lending opportunities for credit unions. He spoke about the Climate Action Plan and the Government's commitment to bring 500,000 homes up to an energy rating of B2 by 2030. He noted that although there were some immediate and short term opportunities, it is critical for credit unions to position themselves in the medium term to be the lender of choice in this area.

National Advertising

Since the launch of the 'Imagine More' campaign on 3rd February last there has been a hugely positive reaction and it has really captured the imagination. Paul Bailey, Head of Communications with the ILCU and Jay Reid, Strategy Director with Core (the creative agency behind the campaign) shared some insights with the audience in relation to the development of the new campaign.



Climate Activist Saoi O'Connor pictured with ILCU President Gerry Thompson

They also shared a sneak peak of the second TV advert with the audience, which was met with a very positive response.

Video Content

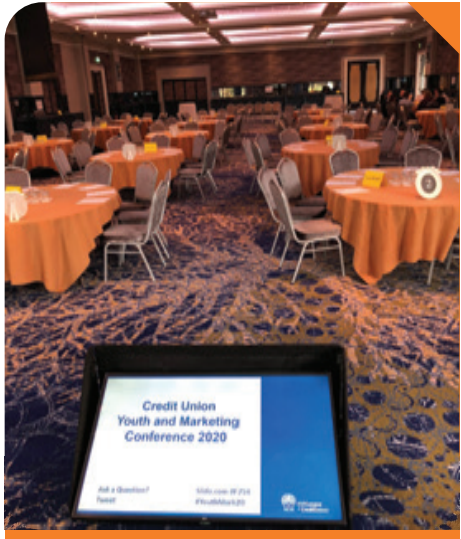
The role of video content in storytelling and connecting with people was a common theme throughout the weekend. Aileen O'Mara, a leading journalist and trainer, provided practical tips and advice to credit unions in utilising video in their communication strategies

Helen Courtney Power from the ILCU's National Youth Committee shared details of a proposed national video competition and sought direct input from the delegates present with regard to timing, theme and promotion.

Dominic Casey from Skibbereen and Bandon Credit Union shared insights into the credit union's use of video to connect with the local community and to raise the profile of the credit union. He noted that producing quality video doesn't always require a large budget. Rather, it is the story and the emotion behind the video which helps it to cut through and capture attention.

Engaging Young People

Robert O'Reilly, from Enfield Credit Union and the National Youth Committee facilitated an engaging panel discussion with Chris Wilkinson from SAG Credit Union and Gerard Cuddihy from Public Service Credit Union. Chris and Gerard were selected by the ILCU as part of the



ILCU Head of Communications Paul Bailey and Jay Reid from Core present on the latest National Advertising Campaign.

Young People Programme and attended the 2019 World Credit Union Conference and the WYCUP programme. Robert was also in attendance as an overall winner of the WYCUP programme in 2018.

In addition, Marianne Cushley from the ILCU's Communications Department facilitated a panel discussion with three young Board members from Slieve Gullion Credit Union. Emma Murphy, who is also a member of the ILCU's National Youth Committee, Aoibeann Walsh and Colm Fearon provided some insights into their individual reasons for volunteering with the credit union. They also provided some learnings and guidance for other credit unions in attracting and retaining young volunteers.

Chairs' Forum 2020: Alternative perspectives and useful insights

The ILCU Chairs' Forum 2020 was held in the Tullamore Court Hotel on the 8th February. The topics presented on the day were influenced by feedback received from Chairs and Vice-Chairs at the previous year's event. Top areas, based on this feedback were; Performance Management, Risk Management and the Regulatory environment. Ring-fencing these areas, *culture* emerged as a common link between presentations and a key discussion point on the day.

Alternative perspectives on these areas were given by three external presenters coming from Sport Ireland, the Irish Aviation Authority and Trinity College Dublin. Content from these presentations is available on creditunion.ie on the Previous Events page.

Observations from the presentations were that *Governance* and *Culture* are inherently interlinked. In Sport Ireland and values-based approach is adopted, where the health of the system and the people within it are assessed. The outcome of this approach ensures volunteers at all levels are valued, supported, and rewarded feeding into the improvement of organisational performance.

Nicky Langton from the Credit Union Compliance Centre (CUCC) explored risk management and performance for credit unions. A strong theme throughout his presentation was that a sound Strategic Planning Process brings better performance to your credit union. Applying this approach is a fundamental part of assessing and managing risk for credit unions. Nicky proposed 10 steps as part of a checklist for strategic planning.

An overview of how the Regulatory Environment in the aviation industry identified commercial pressures and an



CUCC: Strategic Planning Checklist, 10 Steps



increased risk appetite as features that influence the decision-making process. These can be considered against the framework of Bowtie Methodology, commonly used by aviation regulators,

to identify threats and map them to consequences. This methodology is also used among other assessment tools, for credit unions. CUCC employ the Bowtie Methodology, allowing



greater efficiency when reviewing risk registers and mitigating risk for credit unions. If you would like to know more information on Risk Management, contact CUCC at compliance@creditunion.ie or visit www.cucc.ie.

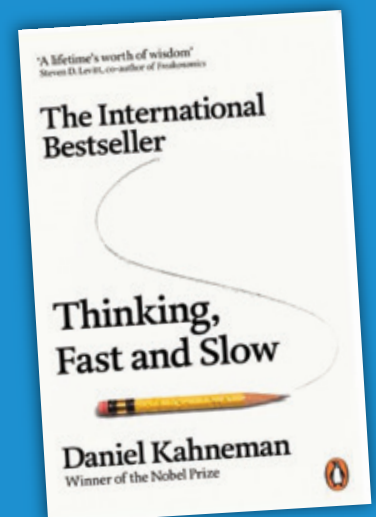
Decision-making is a central output of governance in credit unions, prior to beginning the panel discussion consideration was given to how culture influences these areas. The question was posed as to, *what is good information and how can a culture of challenge be created that supports the credit union ethos to benefit members?* A proposed approach is to promote each board member as the “culture person” by recognising the role that

culture plays in decision-making. It was proposed that creating a culture of challenge, to dispel assumptions, promotes member interests, leading to better communication within decision-making processes.

The afternoon’s panel discussion was facilitated by Nicky Langton, CUCC and drew on the diverse backgrounds, but common challenges identified in presentations. These were contextualised by real credit union experiences brought to the discussion by Joan Gallagher, General Manager of Derry Credit Union. To learn more about these perspectives and to earn CPD Governance Hours, go to culearn.ie and follow the podcast link to Chairs’ Forum 2020.



To highlight the importance of decision-making, Des Neylon (pictured), St. Naomh Breandain Credit Union and Norrie Walsh, St. Coleman’s Credit Union both received a copy of *Thinking Fast and Slow*. This publication has been cited by our experts on Leadership and Governance at Chairs’ Forum 2019 and 2020. Daniel Kahneman the author is an economist, Nobel Prize winner and works on the psychology of judgment and decision-making. Two decision-making systems are identified and discussed in this work, (1) fast, intuitive, and emotional and (2) slower, more deliberative, and more logical, the two systems shape decisions-making.



DIAMOND JUBILEE OF CLONES CREDIT UNION CELEBRATED AT AGM

Sixty years ago, a group of people in Clones led by Parish Priest Fr Paddy Gallagher from Fermanagh came together to set up a credit union in Clones. The diamond jubilee was marked during the group's annual general meeting at the Creighton Hotel in Clones on Monday evening. From a snug at Edward Cassidy's Roost Bar in Fermanagh Street where the idea took shape in December 1959, the credit union has moved on to occupying its own offices in The Diamond. Eleven people each chipped in half a crown and with savings of IR£29 the idea became a reality. Today it has €31.8 million in shares and over sixty years has loaned over €196 million to local people and community organisations. Fr Gallagher travelled the length and breadth of Ireland promoting the credit union concept and was elected as the first President of the Irish League of Credit Unions.

This year the Clones CU Credit Committee met on 42 occasions. Almost 1500 loans were considered and 1,443 approved amounting to over €7.5million. Last year the Credit Union gave back €33,644 into the local community by sponsoring Clones GFC, Aghabog GFC, Eire Óg GFC, Currin GFC, Largy College, Clones Town FC, Clones Film Festival, Clones Golf Club, Clones Community Forum, Clones Athletic Club and Old School Boxing Club to name but a few. The fact that the Credit Union movement has for the fifth year in a row been voted as the "most trusted brand in any sector" is a massive achievement and shows the strength and support for the credit unions by their members.

Raymond Cullen was one of the founder members of Clones Credit Union. Addressing the AGM, he recalled how Fr Paddy Gallagher was a teacher in St Tiarnach's secondary school. In 1959 he set up a study group to look into the formation of a credit union. He had served



Raymond Cullen the last remaining founder director Clones Credit Union, delivering a very informative speech at our 60th AGM

as a priest in California and while there had come into contact with the credit union concept and loved the idea. From what he had learned about credit unions, he was convinced that it would be wonderful if there was a credit union in Clones.

"Fr Paddy formed a small working group of eleven people to explore the feasibility of setting up a credit union. The first meeting was attended by Dan Maguire, Seamus O'Brien, Phillip Moore, Gerry Curran, Pat Connolly, Tom Gallagher, Paddy Keenan, Tom Hunt, Paddy Goodwin, Fr Gallagher and myself," Raymond Cullen said.

"Fr Paddy explained to us how the credit union worked. He talked about the importance of the volunteer aspect of running a credit union and the need for absolute confidentiality. We were all very impressed by what he had to say and felt that our community would benefit greatly with a credit union."

"After several more meetings the decision was made to set up a credit union and in December 1959 Clones Credit union was born. Each of the eleven founding members chipped in a half crown (two shillings and sixpence). On that evening we had eleven members and savings of almost IR£29."

"From the start, Clones Credit Union expanded rapidly and within eight months

the newly formed credit union had 146 members and over IR£2000 in savings. In 1959 Clones Credit Union was a godsend for the town. Not only was money scarce, but also to get a loan from any bank was for most people almost impossible. Those who could get a loan had to take out a life insurance policy to support the loan."

Mr Cullen stated: "To this day the credit union remains an important community resource for the town and the surrounding area. I was speaking recently to a member who told me that without the credit union her children would not have been able to get a third level education."

We must not forget that the Clones Credit Union has the distinction of being the first rural credit union in Ireland and they were an inspiration to so many other communities to form credit unions."

Some astonishing figures were presented to the meeting:

In December 1959, there were eleven members; now the Credit Union has a membership of 7,800. When it was founded, members' shares were almost IR£29. In 2019, members' shares amount to over €31 million. "This figure makes a strong statement regarding the trust and loyalty of the members to their local credit union", Mr Cullen stated.

He continued: "The following figure is the one that strikes me most: in the last sixty years, Clones Credit Union has loaned €196 million into the credit union's common bond. It's not hard to imagine the joy and relief that those loans brought to so many people over those sixty years.

Today is not only to celebrate sixty years of the credit union in Clones, but also to say a big thank you. First of all, to you the members, without whom there would be no credit union; secondly, to all the past directors and committee members who unselfishly volunteered their time and wisdom over the last sixty years, which has made Clones Credit Union the success it is



The Board of Directors Clones Credit Union, with Gerry Thompson President ILCU and Brendan Jenkins CEO Clones Credit Union

today; and finally to the management and staff; they are the front line faces of our credit union."

President of Clones Credit Union Roy Crowe said they were celebrating the important place Clones Credit Union held in the community; the role it had played; and they were acknowledging the financial support it had given to the people of Clones and the surrounding areas since 1959.

"None of that would have been possible without the support and loyalty of you, our members,"

President of the Irish League of Credit Unions, Gerry Thompson, was the special guest at the AGM. He pointed out that Clones was the first credit union to be established outside Dublin and the third in the state. He also highlighted the role played by Fr Paddy Gallagher who he said had travelled the length and breadth of Ireland to promote the concept. Credit unions he pointed out were a co-operative and community based organisation. "We are there to go shoulder to shoulder with people and to be there in both good times and bad, and support them in various ways," he said. Following his speech, he was presented with a framed piece of Clones lace and was also given a copy of the ICA Clones Guild's recent book to celebrate their sixtieth anniversary. Nora



Raymond Cullen Founder director Clones Credit Union cutting the 60th Anniversary cake. Also in photo Roy Crowe President Clones Credit Union, Gerry Thompson President Clones Credit Union and Brendan Jenkins CEO Clones Credit Union

Herlihy of the ICA National Executive, a national teacher who was also Secretary of the Dublin Credit Union executive committee, was nominated to the study group that helped establish the Clones group.

Her role in helping to set up the organisation is mentioned in the ICA book. It also contains a report of a meeting of the northern chapter of credit unions (five of them) that was held in October 1961 in the Great Hall of the Creighton Hotel in Clones. Fr Gallagher who was then National

President of the Credit Union Movement, read out a letter of support that the Clones group had received from President John F. Kennedy of the United States. He told them: "You are operating in more than fifty countries of the free world and in addition to helping their members economically, are also furnishing an example of democratic control through the principle that each member has one vote, regardless of the size of his share in, or his debt to his Credit Union," a principle that remains the same today, sixty years on.



Giving back to the wider credit union movement

In January, we had eight volunteers from credit unions across Ireland travel to West Africa to participate in our Volunteer Coaching Programme. This two week programme is focused on the volunteers sharing their expertise and knowledge of credit unions with their credit union counterparts in The Gambia and Sierra Leone. Our volunteer coaches spent time providing direct support to a number of credit unions, they reviewed operations, identified challenges and put forward recommendations to improve the credit union. The volunteers also had the opportunity to meet credit union members and hear about how the impact of being a credit union member. In addition our partners really value having the volunteers' in-country, as they learn so much from them over the course of the two weeks. Speaking about the volunteers, Mohammed Kandeh, a Compliance Officer with NACCUG, apex body in The Gambia said *"we've learned a lot from the coaches on all areas in credit union compliance, especially on internal controls.....we appreciate every bit and piece of the*

programme, we thank the coaches and ILCU Foundation for continuous collaboration and support." Speaking about the experience Michael Byrne, Core Credit Union, *"It was: great to share our knowledge and expertise with the Compliance Officers of the Gambian credit union movement. Protection of members' savings is our most important attribute, the movement in The Gambia is at a stage now where it could see significant growth and sharing the knowledge we have learned over our 60 years will help ensure that the Gambian credit union movement becomes the most trusted provider in the Gambia, as Irish credit unions are in Ireland"*.

The Foundation's work is primarily focused on building the capacity of credit union movements to be strong, secure and sustainable and to meet the needs of its members. The volunteer programme allows us to provide direct support and training to staff and share the experience of the Irish credit union movement. The ILCU Foundation is very grateful to our volunteers for giving their time and to their credit unions for supporting them.



Volunteers with senior management of NACCUG, The Gambia.



Image 4. Julie, Isatu and Daniel, reviewing member accounts at Bo District Teachers Credit Union.



The volunteers visit Foni Kansala District Credit Union



Michael and Mary with staff and Board of Sofora Cooperative Credit Union.



Daniel, Julie, Barry, Isatu and Mr. Kano at Bo District Teachers Credit Union.



Ted, Julie, George and Barry with Ambassador Lesley Ní Bhriain, Embassy of Ireland, Sierra Leone.



2020 Volunteers:

Michael Byrne - Core Credit Union, George Hamilton - Cootehill Credit Union, Julie Monaghan - New Ross Credit Union, Bernie Moran - Roscommon Credit Union, Mary O'Reilly - The Lough Credit Union, Ted O'Sullivan - Douglas Credit Union, Gerry Reynolds - Castlecomer Credit Union and Barry Treacy - Youghal Credit Union

Learning and Sharing



The Kenyan delegation visiting Ashbourne Credit Union.



Colm Heslin discussing operations at Mountmellick Credit Union with Grace, Paul and Emmanuel.



Kenyan delegation with staff and board of HSSCU.



Delegation with Chair and CEO, Athlone Credit Union, Mayor of Athlone and ILCU President.

Many thanks to the credit unions who hosted visits from the Kenyan delegation in November. The week-long visit was organised in association with KUSSCO, the apex body for the Kenyan credit union movement. The delegation were delighted with the warm welcome they received and the in-depth information provided to them by all the credit unions on issues of governance and day-to-day operations. The delegation visited the following credit unions: *Ashbourne Credit Union, Athlone Credit Union, HSSCU, Life Credit Union, Longford Credit Union, Mountmellick Credit Union, Public Service Credit Union and RTE Credit Union.*

Credit Union Contributions

Thank you to all of the credit unions that have supported our work in 2019, especially those credit unions who are new contributors. Unfortunately contributions from credit unions, our primary source of funding, decreased again in 2019 with contributions received just **in excess of €530,000**. We hope moving forward to maintain this level of funding from credit unions and to counteract the decrease in previous years we are strategically looking at building corporate partnerships and opening up platforms for individual giving.

Keep up to date with us on Facebook, Twitter, Instagram and LinkedIn. For more information on the ILCU Foundation contact Sinéad on 01 614 6945 or email slynam@creditunion.ie

#POWERED BY PEOPLE

Real people, real stories

From overcoming adversity to starting off a footballing career, and the journey to a European Championship to turn a dream into reality, we show the power of what really happens when people come together.

In 2020, our new social media campaign will celebrate tales of local support – and highlights exactly what the credit union stands for: people helping people. This series aims to tap into the stories of real people, whose lives have been positively influenced by the community they belong to. Every community is powered by people. The stories told as part of this campaign give the highs and lows of life & how credit unions have supported every walk of life.

Clare's Story

Since the age of 18, Clare always had access to credit. She had been offered loans since the day she officially entered her adult life. "I was young, and naïve, encouraged to take out loans that I didn't really need. Looking back, I can see how it facilitated a really bad, carefree attitude to credit" As the years went on, Clare was always in control of her borrowing and spending. But one day, everything changed.

Clare was in the midst of organising her dream wedding with her fiancé Nathan. Three weeks before they were to say I do, Clare's world was turned upside down, when Nathan passed away suddenly. The unimaginable heart break that Clare found herself facing, along with the debt carried over from the wedding that still had to be paid for, led to a downward spiral.

The grief overwhelmed Clare, and took over her life. At the same time she had a serious back condition, which kept her off work for a number of weeks. "I was just weeks away from getting married, when everything fell apart. The months after Nathan died are a blur, but I remember such a sense of hopelessness. What was the point



in worrying about money, or planning a future?" To fill the void left by the loss of her fiancé, and the boredom that came with being house bound, Clare began online shopping with numerous different forms of credit. She had overdrafts, credit cards and online shopping accounts. The thrill of having something arrive to the door was the high Clare needed through this time.

The credit Clare had was continuously extended because she met all her minimum repayments. The banks continued to tempt her with further borrowing. Clare would pay all her debts every month. She was in the

clear in terms of borrowing. But all the repayments add up. At one point Clare had barely enough money to feed herself. Clare attempted to fix the problem she found herself in by looking for help to consolidate her debt online. Online companies offered to help her out, but she felt as though she was being trapped into repaying a lot more money than she needed to. There was something in the back of her mind that told her that it wasn't right.

Having met someone who made her feel happy, Clare realised at that point that buying all the things and having all the debt was



making her miserable. She then confided just how much of a hard time she was having to her family. Her dad had offered to pay the money to consolidate her debts. “My dad had helped me financially at different times in my life, and it was tempting to let him fix this for me. But I knew at that point that if I accepted his offer, I would never learn how to pay back or manage money in the way I needed to.

After speaking with her family, one of them suggested talking to the credit union. Clare visited her local credit union where the staff sat down and figured out exactly how much money she owed. Not only that, the credit union explained that they could make the repayments directly to all of her creditors, which removed a huge burden from her.

Clare managed to pay back her loan well in advance. Her old habits changed from “how much can I spend a month?” to “how much can I pay back?” Realising she was borrowing from her community was a huge moment in Clare’s journey. “I’ll never forget the realisation that I was borrowing money from my community, family, and my little niece and nephew, who had their accounts there. It made my commitment to honouring my repayments even stronger – I didn’t want to let down the people who had helped me in such a difficult time!”

Clare’s life has completely changed, she’s now married, owns her own house and car and has just become a first time mum to a bouncing baby boy!

Cork City F.C.

Since its formation as Cork City FC, the club has become one of the most recognisable faces in League of Ireland football. The club has produced home-grown heroes, who have made a name for themselves on the world’s football stage. The importance of playing for the badge is something which is engrained in players from the time they begin their journey with the Rebels.

Arguably, the most important aspect of the club set-up in Cork City FC is the academy. This is the place where young talent goes to grow. The academy in Cork City FC has produced some of the country’s finest footballers and continues to do so today. The academy is structured in age groups from under 13’s to under 19’s. They have access to video analysis, strength & conditioning coaches, coach education evenings, nutrition talks and top quality coaches to ensure every aspect of their game is the best it can be.

Getting players to the next level is top of the agenda for Cork City’s Head of Academy, Colin Healy. “It’s important for us as coaches to allow the players to become the best that they can be. Here in Cork City, the academy players play against the best players and the best teams, so they have no option but to be the best that they can be.”

First team coach Neale Fenn, also values the academy and the advantages it brings to him the manager of the reds.

“It’s important to have an academy because it allows you to produce players who know what it means to play for Cork. This

year we gave seven players professional contracts from our under 19’s, and this is something we want to continue. Having the academy is vitally important for us to continue the work we are doing to develop the club as a whole”

Development of players is not just something coaches are aware of. The players themselves value the importance of the structure in Cork City and appreciate the academy set up. Youngsters such as academy under 15, Cathal Heffernan, feels that being part of Cork City’s academy is so much more than just being a footballer.

“Saying you play for Cork City, it’s an honour. It’s such a high performance set up, you know. You’ve access to the best facilities and the best coaches. It spurs you on to be the best you can be.”

Cork City FC’s academy rely on sponsorship from local businesses to keep up the standards they expect. A group of credit unions in Cork saw the importance of nurturing young talent within their community. The players, coaches and managers of Cork City are honoured to have the credit unions by their side.

“The support from the credit union has been phenomenal, they sort out everything you know. They look after us by giving us access to video analysis, sorting our pre match meals when we go away, getting us strength and conditioning coaches and it’s just a real pleasure to have them by our side”

– Cathal Heffernan, Cork City Academy Player and Irish Under 15 International.

These stories were told as part of our #PoweredByPeople series – a campaign which celebrates tales of community support – and highlights exactly what the credit union stands for: people helping people. If you’d like to get involved and tell your story, we’d be more than happy to hear it. Simply get in touch by emailing Jane at: jdaly@creditunion.ie.

Legislative Update



Update on Beneficial Ownership Register for ROI

While credit unions will be aware that they do not fall within scope to file their beneficial ownership information on Central Register for Beneficial Ownership, please note that as per the Central Bank of Ireland's (CBI) circulation on Friday, 6th March 2020, the Minister for Finance has given responsibility to the CBI for establishing a central Beneficial Ownership Register in respect of credit unions and certain types of funds.

It should be noted that Article 30 of Directive 2015/849 requires corporate and legal entities to maintain their beneficial ownership details, independent of the central register, and to provide these details to a central register when required. Therefore your credit union should already be maintaining its beneficial ownership details.

The Statutory Instrument assigning responsibility to the Bank to maintain this register is due to be introduced in March 2020. The CBI's website will shortly provide more information on the register including FAQ's and information on how to upload the relevant information.

It is suggested that there will be a five month lead in period for entities to submit information to the CBI.

The CBI has asked credit unions to watch out for updates in relation to this on their website.

Update on 5MLD

In relation to the transposition of the 5th Anti-Money Laundering Directive into Irish Law (5MLD), we are still unaware of a transposition date. The full text of the draft Bill is currently with the Department of Justice, and a definitive timeline is more likely when the outcome of the Election is clear.

Fraud Warning

The Legal Department has recently received notification of a number of

instances whereby new credit union members have been lodging funds to their accounts over the phone by way of debit card. As a result of lodging the funds by way of phone call, the "chip and pin" have not been obtained. In addition, it has become apparent that the members have been using various debit cards in order to lodge funds to their accounts.

Further to this, in the days or weeks after such a series of lodgements, the member may contact their credit union in an attempt to withdraw some or indeed all of the funds which have accumulated.

In instances such as this, it is recommended that credit unions ask the caller to provide the name on the card. If the individual subsequently refuses to provide the name on the card, it is recommended that credit unions refuse to proceed with the transaction. Where a credit union has doubts, it is recommended that the individual be invited to personally attend the credit union to carry out the transaction.

Separately, the Fraud Investigation Unit Ireland (FIU) recently issued a circulation regarding this practice. Specifically, the FIU highlighted that a number of credit unions have been targeted. In the course of its' circulation, the FIU stated the following:

"From a financial crime and money laundering perspective, we consider the practice of taking debit card details, even with the three-digit CVV number, over the telephone as being very high risk when requests are made to credit funds to current accounts, etc."

"We would advise you to make your staff aware of this crime trend and to take the appropriate measures to ensure that your credit union does not process these 'unusual' requests...for funds to be credit from debit cards."

In conclusion, in circumstances where a member seeks to make a lodgement to their account over the phone by way of a debit card, we would recommend that the following procedure be followed:

1. ALWAYS ASK FOR THE NAME ON THE CARDHOLDER. IDEALLY THE CARDHOLDER WILL BE THE MEMBER.
2. IF THE CARDHOLDER IS NOT THE MEMBER, INSIST ON CONSENT FROM THE CARD HOLDER TO THE TRANSACTION.
3. IF THE MEMBER REFUSES TO PROVIDE THE NAME OF THE CARDHOLDER, REFUSE TO PROCEED WITH THE TRANSACTION;
4. IF IN DOUBT AS TO THE LEGITIMACY OF THE TRANSACTION, INVITE THE MEMBER TO ATTEND THE CREDIT UNION IN PERSON IN ORDER TO FACILITATE THE TRANSACTION.
5. CONTACT AN GARDA SIOCHANA IF THERE ARE CONCERNS THAT A FRAUDULENT TRANSACTION IS OR HAS BEEN CARRIED OUT.

Legislative Update

NI

The Money Laundering and Terrorist Financing (Amendment) Regulations 2019

On 10 January 2020 changes to the UK's Money Laundering Regulations 2017 came into force. The changes update the UK's anti-money laundering regime to incorporate international standards set by the Financial Action Task Force and to transpose the EU's fifth Money Laundering Directive.

The updated regulations expand who must now undertake due diligence and monitoring as well as report suspicious activities to amongst others art dealers and letting agents.

The updated regulations introduce a new obligation on financial institutions, in respect of UK companies, to report to Companies House any discrepancy between beneficial ownership information on the People with Significant Control Register and information which the firm receives through its due diligence.

There are also additional requirements for enhanced due diligence in respect of high risk third countries; and from 10 September 2020, a new central platform for financial institutions to submit information to the National Crime Agency. Credit unions will for the most part be exempt from this central platform.

Programme for legislation in Northern Ireland

On 10 February 2020, the First Minister and Deputy First Minister released a ministerial statement setting out the Executive's key legislative priorities for the remainder of the 2019/2020 Assembly session.

The Minister for Communities proposes to introduce four bills:

- The Welfare Mitigation/ Social Sector Size Criteria Bill – which will address mitigation payments regarding the bedroom tax.
- The Pension Schemes Bill - aims to ensure that those saving into a Master Trust scheme, which is a form of multi-employer occupational pension scheme, are protected.
- The Housing (Amendment) Bill - will make the changes required to address the Office for National Statistics' classification of Housing Associations to the public sector.
- The Licensing and Registration of Clubs (Amendment) Bill - plans to tackle practices within the licensed trade which could contribute to alcohol misuse. It is also intended to support the hospitality sector in promoting tourism, by making its offering more sustainable and attractive through allowing occasional additional late opening for certain premises and changes to holiday period opening hours for certain premises.

The Minister of Finance will introduce the normal Budget Bills as part of the annual financial cycle.

The Minister of Justice intends to introduce a Criminal Justice Bill to reform the Committal process (which aims to speed up case progression and create better rehabilitation opportunities), and a Domestic Abuse Bill.

The First Minister and Deputy First Minister will also introduce a three piece legislative package to implement commitments given in the New Decade, New Approach Deal. These will be entitled the Northern Ireland Act 1998 Amendment No 1, 2 and 3 Bills and will respectively:

- make provision for an Office of Identity and Cultural Expression and repeal the Administration of Justice (Language) Act 1737;
- to appoint an Irish Language Commissioner and to provide official recognition of the status of the Irish language;
- make provision to appoint a Commissioner to enhance and develop the language, arts and literature associated with the Ulster Scots and Ulster British tradition in Northern Ireland; and make provision for a duty on the Department of Education as regards Ulster Scots.

CHANGES TO EMPLOYMENT LEGISLATION

INCREASE IN MINIMUM RATES OF PAY – Republic of Ireland

National Minimum Wage

Since 1st February 2020, the national minimum wage is **€10.10** per hour, as set out in the National Minimum Wages Order 2020. Wage rates are solely based on age. (See 'Rates' below.)

The national minimum wage does not stop an employer from offering a higher wage; similarly it does not automatically mean that employees on higher rates of pay, above minimum wage, are entitled to receive a wage increase.

Calculating the hourly rate

The basic method of calculation is to divide the gross pay by the total number of hours worked, as set out in the National Minimum Wage Act 2000, Section 20. However, it must be clear from the start what pay is taken into account, what hours are included as working hours and what period the calculation covers (the pay reference period, such as weekly or monthly pay).

What does not count as pay?

When calculating the minimum wage for credit union employees, the following items should not be included as basic pay:

- Overtime premium
- Call-out premium
- Premiums for working public holidays, Saturdays or Sundays

- Allowances for special or additional duties
- On-call or standby allowances
- Certain payments employee's receive when absent from work, for example sick pay, holiday pay or pay during health and safety leave
- Payment connected with leaving the employment, including on retirement
- Contributions paid by the employer into any occupational pension scheme available to the employee
- Redundancy payments

What counts as pay?

For the purposes of the national minimum wage, the employee's gross wage includes the basic salary and any shift premium, bonus or service charge.

People not entitled to receive the national minimum wage

People are not entitled to receive the national minimum wage if they are:

- Employed by a close relative (for example, a spouse, civil partner or parent), or
- In a statutory apprenticeship, or
- Under 20 – as the National Minimum Wage Act only guarantees you a reduced or sub-minimum rate of the national minimum wage (see 'Rates' below)

Rates

Since 1st February 2020, the national minimum wage is €10.10, see rates below.

Rates On or after 1st February 2020

	Minimum Hourly Rate of Pay	% of Minimum Wage
National Minimum Wage (Aged 20 years and over)	€10.10	100
Aged 19 years	€9.09	90
Aged 18 years	€8.08	80
Aged under 18 years	€7.07	70

Since 4th March 2019 Trainee Rates have been abolished

Employers PRSI

In order to ensure that the increase in the minimum wage does not result in employers attracting a higher level of PRSI Charges solely due to this increase the **Employer's PRSI Threshold** will increase from €386 currently to **€395**; again from 1st February 2020.

EARLY CONCILIATION– Northern Ireland

Following a change in employment law, the Labour Relations Agency will provide a new service to employees, employers, and their representatives.

Early Conciliation comes into effect from 27th January 2020. As a result, anyone who wishes to lodge a claim with the Industrial or Fair Employment Tribunal must first notify the Agency and discuss the option of Early Conciliation. Potential claimants will not be able to

proceed to tribunal without at least considering this option.

This marks a significant change from the current situation, whereby claims can be lodged with the tribunal and the Agency then has a duty to make contact with the parties to offer conciliation.

Tribunal claims usually have to be presented within three or six months of the alleged incident or behaviour, depending on the type of claim.

However, when an individual makes an Early Conciliation notification the clock will stop for a period up to one calendar month during which conciliation can take place. The Conciliation Officer will also have the power to extend for a further 14 days providing there is a reasonable prospect of an agreement and that both parties agree.

Tom Evans, Chief Executive of the Labour Relations Agency explained :



“Early Conciliation is about more than just a change in process. It represents a valuable opportunity to bring cultural change in how workplace disputes are resolved in Northern Ireland.”

“Early Conciliation is about more than just a change in process. It represents a valuable opportunity to bring cultural change in how workplace disputes are resolved in Northern Ireland. We know that early engagement is the most effective way to resolve workplace problems, before parties become embroiled in an often bitter, legal confrontation. All too often that approach destroys any hope of repairing the working relationship and can leave employers and employees alike significantly out of pocket.

“Last year the Agency dealt with 4,500 cases about individual employment rights and only 8% proceeded to tribunal. For those that reach a conciliated agreement, there are numerous benefits compared with going through a tribunal, including the privacy of the process, lack of fees, speed and control over the content of the settlement. There are also benefits

for the labour market and economy with fewer costs and losses in productivity,”

To make an Early Conciliation notification, log on from 27th January 2020 to www.lra.org.uk and fill in a short Early Conciliation notification form. Those unable to do it online can phone the Agency on 03300 552 224 and a staff member will take the details. Legal or trade union representatives can also do this on the individual’s behalf. Alternatively people can download the form, complete it by hand and post it to the Agency, or call into one of the LRA offices where a private space to complete the online form will be provided.

The prospective claimant (or their representative) will then be contacted by one of the Agency’s Conciliation Officers, usually within five working days. S/he will explain how conciliation works and, with the individual’s consent, will contact the other party to ask if there’s a willingness to try Early Conciliation. If both parties agree, the Conciliation Officer will try to help find a solution they both find acceptable and the settlement will be legally binding.

If parties cannot agree a settlement, the Agency will issue an Early Conciliation certificate which individuals will need if they decide to proceed to tribunal.

For further advice, on any of the above or indeed any HR Issue, credit unions should contact the ILCU HR Department:

Margaret Davern, HR Adviser	mdavern@creditunion.ie	+35316146974
Maura Behan, HR Executive	mbehan@creditunion.ie	+35316146941



KRD Credit Union Ltd opens its brand new offices in Ballymoney

Having completed a transfer of engagements to take over Ballymoney Credit Union back in 2013, KRD Credit Union were keen to grow the membership and demand for services in the Ballymoney community.

After significant analysis, it was agreed to look for a more central location for the office, and after the completion of extensive work, the credit union was delighted to open its brand new office on Main Street in February 2020.

The new office will provide the local community with easier access to the Credit Union's services. Open six days a week, with no lunchtime closures this will accommodate those who are working, making it easier for all to visit the offices to carry out their business in a safe, secure, confidential environment.

Our well trained staff are here to help - whether it is savings or borrowing, childrens accounts, foreign currency, oil stamp scheme or to discuss the insurance benefits members are covered for.

Claire Doherty, Manager, said:

"The opening of our brand new offices



comes after many, many months of hard work and preparation. We are delighted to be in a prime location right at the heart of Ballymoney Town centre, and look forward to welcoming new and existing members into our new offices.

"Our thanks to our members as we transferred to our new premises, our aim was to keep disruption minimal, and we are confident that the new facilities and location was worth the wait! We look forward to working together for the common good of both you and the

communities we serve – Ballymoney, Rasharkin, Kilrea, Aghadowey, Garvagh, Dunloy & Cloughmills and surrounding areas.

"An open day at the new Main Street office is planned for later in the year, however, my team have an open door policy so why not call in and see what KRD Ltd can do for you.

"You can also keep up to date with everything by checking out our Facebook page (KRD Credit Union Ltd) and Instagram account (krd.creditunion)."

ST JARLATH'S CU AUTHOR RAISES €1400 FOR IRISH CANCER SOCIETY



In the Spring 2017 edition of CUFocus we covered the launch of 'Strategy for Credit Unions', a book written and published by Alan Shaw from St Jarlath's Credit Union. Every time someone bought a copy of the book a small royalty clocked up. This has now amounted to €1,400, and Alan was delighted to be able to make a **presentation to Irish Cancer Society** in time for Daffodil Day, the 23rd March 2020.

Credit unions in the USA were great supporters of the book, which is also available as a Kindle download. Many Irish and other credit unions have also made purchases. Printed copies can still

be ordered through Amazon.co.uk, or by contacting Alan directly at alan.shaw@sjcu.ie He has a number of copies which are available at a reduced price of **€15 each including postage**.

Pictured with Alan in the photo is Mary Reilly whose husband Paddy showed Alan the ropes in St Jarlath's Credit Union before he passed away from Cancer. Other staff members have been affected by Cancer and this donation is also on their behalf.

Thank you to every person who helped to make this donation possible. Any further purchases will directly benefit the **Irish Cancer Society**.

OBITUARY Gerard Ross, Portaferry Credit Union

It is with regret that we advise of the untimely death of our esteemed member Andrew Gerard Ross, better known to us all as Gerard.

Gerard joined the credit union on the 8th August 1975, and quickly got involved in the various committees, carrying out many duties over the years, right up to his death on 14th December 2019. In particular, he was treasurer of Portaferry Credit Union from 1997-1999, and at the time of his passing, was serving as a member of the Supervisory Committee. He totally believed in the ethos of the credit union movement, and was very conscientious in carrying out any and all of his duties.



Gerard left school at sixteen years of age, taking up employment with Short Brothers/Bombardier from which he retired a short time before his death. Gerard never married, and after his parents died, he dedicated himself to looking after his two younger brothers, who were also unmarried and lived in the family home.

His colleagues in Portaferry Credit Union will miss his guidance and witty humour, especially at our monthly meetings, where he quite often excelled with his 'one liners'. He was a dear friend and will be sadly missed by all in the credit union.

The Directors, staff, supervisory committee and many other members of the various committees extend their sympathies to his family, namely his sister Mary and brothers John, Jimmy and Joe, and the wider family circle.

May he Rest in Peace.

Colm Doran – Chairman, Portaferry Credit Union Limited.



Chapter 7, which was established in 1970, recently celebrated its 50th Anniversary in Kildare Credit Union, the location of its inaugural meeting all those years ago! Pictured cutting the 50th birthday cake is Mary Ryan, Chairperson and Bridie Keegan Secretary

Listowel Credit Union WINS Best Social Corporate Responsibility Award at the Kerryman Business Awards 2019



Listowel Credit Union is thrilled to have been announced as Winner of the 2019 Social Corporate Responsibility Award at the Kerryman Business Awards. The Kerryman Business Award ceremony was held at the Ballygarra House Hotel on Friday November 1st, 13 awards across all business faculties were presented on the night.

Now in their 4th year, The Kerryman Business Awards recognises the achievements of local businesses and rewards them for their commitment to excellence and customer service. The Social Corporate Responsibility award winner was determined

by the company that has shown the greatest social corporate responsibility, broadening their focus beyond making a profit and into benefiting the wider area as a whole. MC on the night was Carole McEnery of the HR Suite with guest speaker Terry Prone captivating the audience following the awards ceremony.

Accepting the award on behalf of Listowel Credit Union, Ashley FitzGerald, Marketing Manager, said: *"I am delighted to accept this award on behalf of all the team at Listowel Credit Union. The ethos of Listowel Credit Union is 'Supporting Your Community' and being able to provide support for local groups, charities and sporting organisations strengthens our bond with the wider community."*

Speaking about the Best Social Corporate Responsibility Award, Denis Dillane, CEO of Listowel Credit Union, said *"Listowel Credit Union is delighted to have won the Social Corporate Responsibility Award at this year's Kerryman Business Awards. This award provides recognition of our commitment to the community of North Kerry as well as supporting our valued members. We are a not-for-profit organisation and as part of our commitment to the local area, we provide financial support to as many charity, voluntary and sporting groups as possible."*

For more information about the awards, visit www.kerrymanbusinessawards.ie.

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Further information and documentation for the provision of outsourced internal audit services can be found on our website:
<https://www.creditunion.ie/ilcu/associated-companies/internal-audit/>

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