

### What is a Credit Union?

A Credit Union is a self- help savings and loan co-operative which is owned and run by its members. Members can save as much or as little as they want but by pooling these savings (shares) the Credit Union can offer its members loans at a very low rate of interest.

### How safe are Credit Unions?


Credit Unions are authorised and regulated in the same way as banks, this is by the Financial Conduct Authority and the Prudential Regulation authority to ensure that they are run lawfully and efficiently.

Your shares up to £85,000 are covered under the FSCS

All elected officers and non-elected helpers of the Credit Union are required to be “fidelity bonded”, this means the Credit Union is insured to protect its funds and members’ savings against fraud. Volunteers (Board and staff) must sign a statement of confidentiality.



Bute – 5 King St, Rothesay, Isle of Bute  
PA20 0DD

 01700 502000 (office hours)


Opening Hours:

Tuesdays 10.30 am - 1.30 pm

Saturdays 10.00 am – 12.30 pm

[buteanager@buteandcowalcreditunion.co.uk](mailto:buteanager@buteandcowalcreditunion.co.uk)

Cowal – 29 Ferry Brae, Dunoon, PA23 7DJ

 01369 702472 (office hours)

Opening Hours:

Tuesdays 10.30 am - 1.30 pm

Saturdays 10.00 am – 12.30 pm

[cowalmanager@buteandcowalcreditunion.co.uk](mailto:cowalmanager@buteandcowalcreditunion.co.uk)

Website: <http://www.butecreditunion.co.uk>

Facebook

<https://www.facebook.com/butecreditunion>

**NB** Active members are always needed to serve on the Board and Committees; and to work within the offices.

# Bute & Cowal

# Credit Union

*“For people  
not for  
profit”*

Bute and Cowal Credit Union is regulated by The Prudential Regulation Authority and the Financial Conduct Authority  
Ref: 213710  
Registration No 93CU(S)

## Why should I join a Credit Union?

Because:

Membership encourages good management of personal finances.

1. **You** decide how much you want to save from as little as £1.00 per week ( maximum account holding is £15,000)
2. By pooling the savings (shares) the Credit Union can offer loans to members at very low rate of interest
3. There are no charges.
4. An insurance bond against fraud and dishonesty protects the Credit Union Funds.
5. By being a member you are contributing to the well-being of your community.

## Who can join the Credit Union?

Anyone living or working on Bute or Cowal. There is no age limit but a member must be 18 or over to apply for a loan.

Community and Voluntary bodies – please ask at one of the offices

## How do I join the Credit Union?

By calling into either office, filling in the form, providing proof of identity and address, paying the £1.00 Joining fee and depositing a minimum opening account deposit of £5.00. You will be told all about the way the Credit Union works for you and given a member's pack.

## What are "Shares"?

Shares are your savings. £100 savings = 100 shares

## Can I withdraw my shares?

Yes, provided they are not pledged as security for a loan and you give the agreed notice (see your information pack).

## When and how can I apply for a loan?

For your first loan - any time after saving regularly for 8 weeks. You complete a form in the Credit Union offices giving details of the amount, the purpose of the loan and the proposed repayment terms. A member of the Credit Committee will assist you by explaining the Loan Policy

Second and subsequent loans – whenever you wish after paying off your first loan, provided you meet the Loan Policy requirements.

Please note only members age 18 or over can apply for a loan.

## How much can I borrow?

This depends on the Loan Policy at the time of applying, the amount of your savings and your savings record

## What interest would I pay?

1% per month on the outstanding loan balance, e.g. for every £100 borrowed and paid back on a weekly basis over 50 weeks , the total interest would be approximately £6.40 .

For comparison – this is equal to an APR of 12.68%

## Who runs the Credit Union?

A Board of Directors, elected from the members at the Annual General Meeting. The Board is assisted by an elected Credit Committee (which deals with loans) and an elected "watch-dog" Supervisory Committee. All Directors, Committee members and office staff are volunteers. As a member you can become an officer or member of staff, you can learn a variety of skills, e.g. book-keeping, credit control, credit evaluation, interviewing, communication and social skills.