



East Hampshire Conservatives

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NEWS RELEASE

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immediate release

Local Credit Union will be a trail-blazer, says Damian

Candidate hails innovative, community-based and responsible banking initiative

Local parliamentary candidate and affordable credit campaigner, Damian Hinds, has welcomed the new local credit union, East Hampshire Savers, as he opened a savings account with them last week. The credit union plans to open its doors in Bordon by September, but has been taking advance applications for accounts.

A credit union is a not-for-profit financial services institution that exists for the benefit of its members. As a saver, you also become a shareholder; and at the end of the year receive a dividend or 'divi', which is the surplus after costs have been paid. Deposits are fully protected. The funds you save are made available to borrowers in the same community who can take out small to medium loans at rates lower than those available through alternatives like doorstep lenders, or the effective high rates charged by catalogue companies. The credit union movement is keen on encouraging thrift and self-responsibility. They take a much more localised, personal approach than many banks these days, and also run junior savers schemes, to educate young people on saving and budgeting.

Credit unions have been in Britain since 1964. Today there are some 650,000 adult members and 100,000 junior savers nationwide, and those numbers are growing fast. With the recent banking crisis, and the low savings rates now on offer on the high street, credit unions have increased further in attractiveness.

East Hampshire Savers is being formed under the wing of Hampshire Credit Union Ltd, which is one of the leading credit unions in Britain. East Hampshire Savers will be offering a

full range of services including current accounts and debit cards as well as a Christmas club, regular savings accounts and affordable loans. East Hants District Council is providing £100,000 of start-up support to help East Hampshire Savers in its early phase, and EHDC's Lead Councillor for Debt, Julie Butler, has been leading the project.

Local parliamentary candidate Damian Hinds has done extensive research and writing on issues connected with personal debt and affordable credit. He said: "This is a very exciting innovation for East Hants. It is rare to have a credit union covering a relatively rural area, and it's far-sighted of EHDC to drive this forward. In my policy research, I identified five key success factors for credit unions: a broad range of customers, employers' support, local authority / housing association support, attractive banking products, and strong marketing to reach scale quickly. The partnership with Hampshire Credit Union Ltd is a much better way to go than just starting from scratch."

Damian continued: "Credit unions are for everyone, and I hope people of all income levels will consider opening a savings account – safe in the knowledge that the funds will be used to provide affordable credit to other people within our area, who may otherwise have to pay excessive interest rates. It would be great to see local employers really get behind it too. I am sure East Hampshire Savers will develop further, with things like junior savers accounts. In time, it would be great to see some form of out-reach programme, or eventually maybe even some rural post office branches could play a role."

ENDS

Notes to editors:

Some of Damian's work on affordable credit, including his 2004 policy paper, *Beating the Debt Trap*, can be found at www.damianhinds.info – follow the link on Sub-prime Debt, under 'From the Archive'

Statistics on credit unions in Britain can be found at <http://www.abcul.com/page/statistics.cfm>. The Hampshire Credit Union Ltd web site is at <http://www.hampshirecreditunion.co.uk/>

Attached picture: *Damian opens East Hampshire Savers' first savings account*

