

**NHS Credit Union Personal Loan
Fairbanking Mark Research**

The Fairbanking Foundation awards marks to products which can demonstrate that they act in customers' best interests, and improve customers' financial wellbeing.

In order to qualify for this award, NHS Credit Union must be able to demonstrate that customers have experienced a tangible positive impact on their financial wellbeing from using their personal loan features. To demonstrate this, a survey was conducted to gauge feedback from customers holding the product.

A broad sample of customers were interviewed over the phone and were asked to complete a set of pre-defined questions.

The personal loan key features that were tested were

- The application process
- Making payments
- Experiencing a change in circumstances
- Connecting Loans and Savings

This document summarises the outputs from the research.

Technical note

- 209 completed interviews – all online interviews (between 23rd March – 4th April)
- The survey was approximately 15 minutes in length
- All respondents were holders of a NHS Credit Union loan.

SCREENER AND INTRODUCTION

S1. Please can you tell us, do you have a loan with NHS Credit Union?

Single response question asked to everyone.

Yes	209	100%
No	-	-
Don't know	-	-
Prefer not to say	-	-
Total	N=209	100%

S1a. And which of the following best describes the loan you have with NHS Credit Union?

Single response question asked to everyone.

I am currently paying back a loan	209	100%
I don't have a loan with them at present but I had a loan in the past which is now paid off	-	-
Don't know	-	-
Prefer not to say	-	-
Total	N=209	100%

S2. Please can you tell us, approximately when will you finish paying off the loan. If you're unsure, please give your best guess.

Single response question asked to everyone currently paying back the loan.

In the next month	3	1%
In 1 to 3 months' time	19	9%
4 to 6 months' time	23	11%
7 to 12 months' time	69	33%
More than 12 months' time	91	44%
I have already paid off my loan	-	-
Don't know	3	1%
Prefer not to say	1	-
Total	N=209	100%

ABOUT THE LOAN AND THE APPLICATION PROCESS

Q1. Which of the following applies to your loan with NHS Credit Union?

Multiple response question asked to everyone.

This is my first personal loan with them	72	34%
I had a loan before which has been completely paid off	68	33%
I have had a top-up to my existing loan	66	32%
I have two loans including a budget loan	14	7%
None of the above	2	1%
Don't know	2	1%
Prefer not to say	-	-
Total		N=209

Q1a. Please can you tell us, what was the purpose for taking the loan? If you have had more than one loan with NHS Credit Union, please think about your most recent loan.

Multiple response question asked to everyone.

To make home improvements	55	26%
To pay for a holiday	61	29%
To pay for a special occasion (e.g. Wedding/ Christmas/Birthday, etc.)	42	20%
Purchasing household electrics (e.g. TV, Fridge, Freezer, etc.)	12	6%
Purchase a car/bike	17	8%
To pay for everyday living expenses (make up for a shortfall in my income)	4	2%
To pay for household repairs	14	7%
To help pay for a funeral	2	1%
To cover unexpected outgoings	12	6%
To consolidate my debts – so they are all in one place	15	7%
For my own education / further education	-	-
To fund a career break	-	-
For my children's education	1	-
To help my adult children	7	3%
For emergencies or backup in case I need more money	1	-
To help tide me over whilst I was ill	1	-
Something else (specify)	17	8%
Don't know	-	-
Prefer not to say	5	2%
Total		N=209

Q2. And do you have any other products with NHS Credit Union?

Multiple response question asked to everyone.

I have a savings account	148	71%
I have another loan	6	3%
Other (please specify)	1	-
No, I don't have other products with NHS Credit Union	48	23%
Don't know	7	3%
Prefer not to say	3	1%
Total		N=209

Q4. And please can you tell us which of the following applies to how you made the loan application?

Multiple response question asked to everyone.

I applied online	86	41%
I applied on the telephone	94	45%
I posted the application	56	27%
I downloaded the application form	7	3%
Other (please specify)	1	-
Can't remember	3	1%
Prefer not to say	-	-
Total		N=209

Q5. Thinking about the interest rate which applies to your loan, please can you tell us how does the rate you were offered compare to the rate you expected to be given when you decided to apply for the loan?

Single response question asked to everyone.

It was much higher than I thought it would be	4	2%
It was slightly higher than I thought it would be	26	12%
It was the same as I thought it would be	86	41%
It was slightly lower than I thought it would be	38	18%
It was much lower than I thought it would be	37	18%
Don't know	18	9%
Prefer not to say	-	-
Total	N=209	100%

Q8. When completing the loan application, did you complete an income and expenses statement detailing your income and expenses to help you decide how much you could afford to borrow?

1.2

Single response question asked to everyone.

Yes	188	90%
No	11	5%
Can't remember	10	5%
Prefer not to say	-	-
Total	N=209	100%

Q9. Did you keep a copy of that income and expenditure statement to refer to later?

1.2

Single response question asked to everyone who said yes at Q8.

Yes	73	39%
No	90	48%
Can't remember	24	13%
Prefer not to say	1	1%
Total	N=188	100%

Q10. Please could you tell us in which ways, if any, did using the income and expenditures statement help you decide on what you could afford to borrow?

1.2

Open ended question asked to everyone who said yes at Q8.

"It makes you realise what your actual outgoings a month are and where you can cut back on things."

"It gave me a clear idea of what would be expected of me when borrowing from the Credit Union. The application was a hassle free and un-intimidating experience."

"It gave me an accurate state of play to enable me to work out what I could easily afford."

Q11. Was the amount you could afford to borrow more or less than the amount you thought you could afford?

1.2

Single response question asked to everyone who said yes at Q8.

It was much higher than I thought it would be	12	6%
It was slightly higher than I thought it would be	17	9%
It was the same as I thought it would be	123	65%
It was slightly lower than I thought it would be	12	6%
It was much lower than I thought it would be	9	5%
Don't know	14	7%
Prefer not to say	1	1%
Total	N=188	100%

**15% Higher
11% Lower**

Q13. Which, if any, of the following did you do to work out how much your repayments would be, depending on how much you borrow and over what length of time?

1.2

Multi response question asked to everyone.

I had a discussion with a member of staff on the telephone where I was shown examples of different repayments lengths and amounts	145	69%
I used / was told to use the online tool or calculator	73	35%
Other (please specify)	2	1%
Don't know	5	2%
Prefer not to say	-	-
Total		N=209

Q15. How helpful, if at all, has it been to calculate possible monthly repayments and repayment periods?

1.2

Single response question asked to all coding 1-3 at Q13.

Very helpful	166	81%
Fairly helpful	27	13%
Not very helpful	1	-
Not at all helpful	1	-
Don't know	8	4%
Prefer not to say	1	-
Total	N=204	100%

94% Helpful

Q15a. You said that it was [answer from Q15] to calculate possible monthly repayments and repayment periods. Please can you tell us why you say that?

1.1

Open ended question asked to all coding 1-4 at Q15.

Very helpful

"The person on the telephone explained clearly the different options available".

"It gave me an idea of exactly how much I would be paying each month and over what period to accommodate what I could afford."

"It let me know in advance what my payments would be and how long it would take to pay back before applying for the loan."

Fairly helpful

"To work out if current monthly payment to credit union needed to be increased to cover loan."

“To decide what length of time I could afford to take the loan over and pay off in quickest time”.

Q16. During the application process, to what extent, if at all, did you consider all debts, loans, credit cards and other borrowing that you had to pay off?

1.3

Single response question asked to everyone.

I took all of my debts and borrowing into account when I applied	189	90%
I thought I had considered all of my debts and borrowing when I applied but realised during or after the process that there were debt(s) that I'd forgotten to consider	6	3%
I didn't really consider my debts and borrowing when I applied	9	4%
Don't know	3	1%
Prefer not to say	2	1%
Total	N=209	100%

Q17. How helpful was it to consider all debts and day-to-day bills and outgoings when making the application?

1.3

Single response question asked to everyone who considered debts (code 1 or 2 at Q16).

Very helpful	147	75%
Fairly helpful	39	20%
Not very helpful	3	2%
Not at all helpful	1	1%
Don't know	5	3%
Prefer not to say	-	-
Total	N=195	100%

95% Helpful

Q18. Which of the following, if any, applied to you when you considered all of your borrowing as part of the application?

Multi response question asked to all who considered debts (code 1 or 2 at Q16).

I felt reassured that I could afford repayments on the debts I already had	127	65%
I felt reassured that I could afford the repayments on the loan I was applying for	105	54%
I re-considered whether I could take out the loan at all	2	1%
I decided to try to decrease my borrowing in the future	3	2%
I decided I needed more advice on how to reduce my debts	1	1%
Other	-	-
It made no difference; I already had a full picture of my debts	12	6%
Don't know	-	-
Prefer not to say	1	1%
Total		N= 195

Q18a. In which ways, if at all, did you decide how much you could afford to borrow?

Open ended question asked to all who did not consider their debts (code 3 at Q16).

1.2

"I wanted a speedy £700 loan without doing credit checks and without looking into my husband's income."

"How much I could afford to repay each month and what I could live on".

MAKING PAYMENTS

Q19. Which of the following methods of payment do you use to make your monthly personal loan repayments? If you use different methods, please tell us about the one you use most.

2.4

Single response question asked to everyone.

Via payroll deduction	187	89%
Via direct debit	22	11%
Other	-	-
Don't know	-	-
Prefer not to say	-	-
Total	N=209	100%

Q20. And how convenient do you find it to make your repayments [answer chosen at Q19]?

2.4

Single response question asked to all who allocated a method of payment at Q19.

Very convenient	205	98%
Fairly convenient	4	2%
Not very convenient	-	-
Not at all convenient	-	-
Don't know	-	-
Prefer not to say	-	-
Total	N=209	100%

100% Convenient

Q27a. Do you find it helpful that your loan payment is made at the same time as your salary?

Single response question asked to everyone.

Yes	206	99%
No	2	1%
Don't know	1	-
Prefer not to say	-	-
Total	N=209	100%

Q27b. You said that making your loan payment at the same time as your salary was not helpful. Please can you tell us more about why you say that?

Open ended question asked to all who said no at Q27a.

"Because I don't receive a salary and pension goes into bank on different dates each month."

"My payday is different to my loan repayment date"

Q27c. Do you know or could you easily find out the amount of your monthly loan payment?

Single response question asked to everyone.

Yes	203	97%
No	2	1%
Don't know	4	2%
Prefer not to say	-	-
Total	N=209	100%

Q27d. You said that you do not know or could not easily find out the amount of your monthly loan payment. Please can you tell us more about why you say that?

Open ended question asked to all who said no at Q27c.

“On-line has never worked properly and I pay loan and saving off my wages. Not sure how much for each”

“Presume you would have to phone or look on pay slip”

Q28a. Were you aware that you could use your savings to pay off your loan early?

Single response question asked to everyone.

Yes	165	79%
No	44	21%
Don't know	-	-
Prefer not to say	-	-
Total	N=209	100%

Q28b. Have you ever used your savings to pay off a NHS Credit Union loan earlier?

Single response question asked to everyone who said yes at Q28a.

Yes	32	19%
No	126	76%
Don't know	6	4%
Prefer not to say	1	1%
Total	N=165	100%

Q28c. And how helpful was it to be able to use your savings to pay off your loan earlier?

Single response question asked to everyone who said yes at Q28b.

Very helpful	30	94%
Fairly helpful	2	6%
Not very helpful	-	-
Not at all helpful	-	-
Don't know	-	-
Prefer not to say	-	-
Total	N=32	100%

100% Helpful

Q29. If you had extra funds available would you use this to make additional payments on your NHS Credit Union loan?

Single response question asked to everyone who said yes at Q28a.

Yes	105	64%
No	27	16%
Don't know	33	20%
Prefer not to say	-	-
Total	N=165	100%

Q30. And how helpful would it be, to use extra funds available to make additional payments on your NHS Credit Union loan?

Single response question asked to everyone who said yes at Q29.

Very helpful	70	67%
Fairly helpful	33	31%
Not very helpful	1	1%
Not at all helpful	-	-
Don't know	1	1%
Prefer not to say	-	-
Total	N=105	100%

98% Helpful

Q31a. Do you recall your provider reminding you to consider repaying your loan early?

This could have been on the telephone, a letter, an email, as part of your statement, or via some other method.

Single response question asked to everyone.

Yes	71	34%
No	107	51%
Don't know	31	15%
Prefer not to say	-	-
Total	N=209	100%

Q31b. Please can you tell us what, if anything, did you do as a result of receiving that reminder from your provider about being able to repay early?

Open ended question asked to all who said yes at Q31a.

"I was happy with my ongoing payment plan"

"I considered it but at the time wasn't a suitable option for me."

"Nothing but was good to know if I felt I could pay off loan early"

CHANGE IN CIRCUMSTANCES

Q32. Were you aware that NHS Credit Union offers the ability to discuss your personal financial circumstances, including ways to help you manage your finances and meet your repayment obligations?

3.3

Single response question asked to everyone.

Yes	139	67%
No	63	30%
Don't know	7	3%
Prefer not to say	-	-
Total	N=209	100%

Q32a. Please tell us which of the following best applies to what you think about the assistance NHS Credit Union offers to customers who wish to manage their finances better.

3.3

Single response question asked to everyone.

I feel better knowing that the help is available should I require it	188	90%
It doesn't matter at all to me whether it's there or not	9	4%
I think the assistance offered has a negative impact on customers	1	-
Other (specify)	-	-
Don't know	9	4%
Prefer not to say	2	1%
Total	N=209	100%

Q32b. How likely would you be to get in touch with NHS Credit Union if you thought you might miss a payment due to a financial problem?

3.3

Single response question asked to everyone.

Very likely	178	85%
Fairly likely	13	6%
Fairly unlikely	6	3%
Very unlikely	7	3%
Don't know	5	2%
Total	N=209	100%

91% Likely

Q32c. You said that you are [answer from Q27b] to get in touch with the NHS Credit Union about your personal financial circumstances if you ever think you are going to miss a payment. Please can you tell us what makes you say that?

Open ended question asked to everyone who coded 1-4 at Q32b.

Very likely

“The staff at the credit union is extremely friendly and helpful, and I would have no concern contacting them if I had difficulties. They treat customers with respect.”

“From my experience with them I find them to be friendly, helpful and very approachable. If there was an issue I wouldn’t hesitate to contact them.”

“Would prefer to inform them in advance, also anytime I have called them for advice they have always been very helpful.”

Fairly likely

“So I could inform them of the financial difficulty and discuss my options”

Fairly unlikely

“If it was a single temporary glitch, I might not contact, but if it was likely to be an ongoing problem I would most probably get in touch”

Very unlikely

“As it is a payroll deduction”

Q33. Please can you tell us, which of the following applies to you?

Single response question asked to everyone.

I have missed a payment on more than one occasion	2	1%
I have missed a payment only once	1	-
I have always made my payments on time but have come close to missing a payment at least once	3	1%
I have always been able to make my payments on time and have never come close to missing a payment	202	97%
Don’t know	0	-
Prefer not to say	1	-
Total	N=209	100%

Q34a. Please can you tell us what actions, if any, did you take when you nearly missed the payment(s)?

3.1

Open ended question asked to all coming close to missing payments (code 3 at Q33).

“Did not have to do anything because I had enough money. If this happened to me again I would consider borrowing money to cover it”

Q35a. Please can you tell us which, if any, of the following did you experience with NHS Credit Union after you missed the payment(s)?

3.1

Multi response question asked to all who missed a payment (code 1 or 2 at Q33).

They contacted me by letter	2	67%
They contacted me by telephone	2	67%
Other (please specify)	-	-
I contacted them after the payment was missed but before they contacted me	-	-
I had no contact with my provider about missing the payment	-	-
I contacted them to alert them before the payment was missed	-	-
Don't know	-	-
Prefer not to say	-	-
Total		N=3

Q36a. Please can you tell us which of the following best applies to the contact you had with NHS credit union after you missed a payment.

3.1

Single response question asked to all who coded 1-3 at Q35a.

My provider contacted me fairly soon afterwards, within a week of missing the payment	3	100%
My provider contacted me more than a week after missing the payment	-	-
My provider never contacted me about missing the payment	-	-
Don't know	-	-
Prefer not to say	-	-
Total	N=3	100%

Q36b. You said that you had contact with NHS Credit Union recently about missing a loan repayment. Please can you tell us what happened as a result of that communication?

3.1

Open ended question asked to all who coded 1-6 at Q35a.

Q37. Please can you tell us which of the following applies to what happened as a result of your contact with NHS Credit Union?

3.2

Multi response question asked to all who coded 1-6 at Q35a.

Given a revised repayment plan	2	67%
Given a repayment break	-	-
Given amended repayment dates so the loan term was extended	1	33%
Referred to a third party such as a Debt Advice Charity	-	-
Other	-	-
No solution provided	-	-
Don't know	-	-
Prefer not to say	-	-
Total	N= 3	

Q38. And thinking about the outcome of your contact with NHS Credit Union, how helpful would you say you found each of the following?

3.2

Single response question asked to all who coded 1-4 at Q37.

	Very helpful	Fairly helpful	Fairly unhelpful	Very unhelpful	Don't know
Given a revised repayment plan	2 100%	-	-	-	-
Given amended repayment dates so the loan term was extended	1 100%	-	-	-	-

Q39a. You said that you were [answer from Q37] and that this was [rating from Q38]. Please can you tell us more about what makes you say that?

3.2

Open ended question asked to all who gave a rating at Q38 and repeated for each statement selected at Q37.

Q40. Please can you tell us for how long have you been on your revised repayment plan? If you're unsure, please give your best guess.

3.2

Single response question asked to all who coded 1 at Q37.

Less than 3 months	1	50%
Between 3 and 6 months	-	-
Between 6 and 9 months	-	-
Between 9 and 12 months	-	-
Between 1 and 2 years	-	-
More than 2 years	-	-
Don't know	1	50%
Prefer not to say	-	-
Total	N=2	100%

Q41. Still thinking about your revised repayment plan, please can you tell us how affordable this was for you at the time it was set up?

3.2

Single response question asked to all who coded 1 at Q37.

Very affordable	2	100%
Fairly affordable	-	-
Fairly unaffordable	-	-
Very unaffordable	-	-
Don't know	-	-
Total	N=2	100%

Q42. Please can you tell us to what extent you have been able to keep up your repayments?

3.2

Single response question asked to all who coded 1 at Q37.

I have always kept up with repayments	2	100%
I have mostly kept up with repayments	-	-
I have mostly not kept up with repayments	-	-
I have never kept up with repayments	-	-
Don't know	-	-
Prefer not to say	-	-
Total	N=2	100%

Q43. Please can you tell us, overall, how effective you feel NHS Credit Union has been in helping you to reduce your debt?

3.2

Single response question asked to all who missed or nearly missed a payment (code 1, 2 or 3 at Q33).

Very effective	4	67%
Fairly effective	1	17%
Not very effective	-	-
Not at all effective	-	-
Don't know	-	-
Prefer not to say	1	17%
Total	N=6	100%

84% Effective

Q43a. You said that NHS Credit Union was [answer given at Q43]. Please can you tell us why you say that?

3.2

Open ended question asked to all who coded 1-4 at Q43.

Very effective

“Work effectively and when asked for loan you get as quickly as possible.”

“Because they don’t let you borrow more than you can afford”

CONNECTING LOANS AND SAVINGS

Q45a. Was a saving account with your Credit Union set up when you applied for your loan?
Single response question asked to everyone.

4.1

Yes	143	68%
No	49	23%
Don't know	15	7%
Prefer not to say	2	1%
Total	N=209	100%

Q45b. Have you been able to save more than the required £10 a month?
Single response question asked to everyone who said yes at Q45a.

Yes	113	79%
No	24	17%
Don't know	5	3%
Prefer not to say	1	1%
Total	N=143	100%

Q46a. How helpful is it to be saving at the same time as paying off your loan?
Single response question asked to all who have been saving whilst paying back their loan (code 1 at Q45a).

4.1

Very helpful	131	92%
Fairly helpful	9	6%
Not very helpful	-	-
Not at all helpful	-	-
Don't know	2	1%
Prefer not to say	1	1%
Total	N=143	100%

98% Helpful

Q46b. You said that saving alongside making your loan repayments is [answer from Q46a]. Please can you tell us what makes you say that?
Open ended question asked to all who coded 1-4 at Q46a.

4.1

Very helpful

"It's great to see the savings building up alongside the loan"

"I am building my savings which can easily be used to help make a repayment should the unlikely happen that I couldn't pay for my loan."

"I like having the security of saving at the same time"

Fairly helpful

“I have been in financial difficulty for a number of years and have been actively managing my way out of this for 10 years. I’m not someone who has been able through circumstances to regularly save and membership of the Credit Union is now allowing me to do this. This has a lot to do with the money being deducted at source.”

Q47. Which of the following statements best applies to your savings habits, before you joined the NHS Credit Union?

4.1

By saving, we mean putting money into savings products such as a savings account or ISA
Single response question asked to everyone.

4.2

I saved regularly throughout the year	32	15%
I saved whenever I could	66	32%
I sometimes saved a one-off lump sum	10	5%
I was never able to save at all	97	46%
Don’t know	1	-
Prefer not to say	3	1%
Total	N=209	100%

Q49. Please can you tell us which of the following statements best applies to your future savings plans after your loan has been paid off?

4.1

Single response question asked to all customers currently paying their loan (code 1 at S1a).

I will save regularly throughout the year	153	73%
I save whenever I can	37	18%
I will sometimes save a one-off lump sum	4	2%
I will not be able to save at all	4	2%
Don’t know	9	4%
Prefer not to say	2	1%
Total	N=209	100%

Q50a. In what ways, if any, has taking out your loan with NHS Credit Union, helped you with your savings habits?

4.2

Open ended question asked to everyone.

“I have now gotten into the good habit of saving a small amount each month to boost my future finances.”

“I feel good I am saving a regular amount and if I ever need emergency cash I can get in touch for a loan”

“By paying each month off my salary into a savings account has helped in my forward planning”

Q51b. By building up savings of at least £10 a month at the same time as paying off your loan with NHS Credit Union, you will pay more interest back than if you were not saving. Do you feel it is still worth saving and having an available amount of savings when the loan is paid off?

Single response question asked to everyone.

Yes	177	85%
No	6	3%
Don't know	24	11%
Prefer not to say	2	1%
Total	N=209	100%

Q52a. And please can you tell us why you say that?

Open ended question asked to everyone who coded 1-2 at Q51b.

3.2

“I like that I am saving each month, whilst repaying the loan and I am unable to access the savings whilst the loan is being repaid. It means the savings have the chance to accumulate.”

“Having savings is good as you never know what life will bring.”

“Absolutely! It means that I have not just paid all my money to getting the loan paid off, I have benefited from also putting money in my savings.”

Q53. Which of the following applies to your savings account?

Single response question asked to everyone who said yes at Q45a.

You can withdraw all your savings at any time, provided you maintain the regular loan payment	33	23%
You can withdraw any savings that exceed your loan balance at any time	52	36%
You can approach your Credit Union to withdraw all your savings while you have a loan out-standing and they are likely to agree.	6	4%
Don't Know	48	34%
Prefer not to say	4	3%
Total	N=143	100%