

The Fairbanking Foundation Awards Highest Mark To Personal Loans From Credit Unions

- *Employee-focused credit unions receive Fairbanking Mark for the first time*
- *Higher interest loan products offering product features which enable customers to better manage their money*

London, 10th May 2016 - The Fairbanking Foundation, the leading certification scheme for financial institutions in the UK, today officially awarded a five star rating to the personal loan products of three credit unions. The Hoot Credit Union, the 1st Class Credit Union and the NHS Credit Union have all been awarded the Fairbanking Mark in the highest possible category for their personal loans because they have a tangible positive impact on customers' financial wellbeing.

This is the first time that the Fairbanking Mark (used by banks like RBS and Natwest as a mark of the value their products have on customer financial wellbeing) has been awarded to credit unions that serve employees of a specific sector. The NHS Credit Union has over 13,000 members across the organisation and 1st Class credit union serves almost 9,000 members not just from the Royal Mail but other communications businesses including BT, O2 and Virgin Media.

The 5-star Fairbanking Mark for three personal loan products from Hoot Credit Union includes the Handy Loan which is the highest rate of interest that the Fairbanking Foundation has awarded its Fairbanking Mark to so far. The Fairbanking Foundation's research shows that Hoot's Handy Loan is designed to enable recipients to save a certain amount while repaying the loan, which helps to positively develop saving habits.

Antony Elliott, Chief Executive of the Fairbanking Foundation, comments: *"The evidence shows that credit unions are playing an increasingly important role in people's financial lives in the UK. We have now worked with 7 credit unions to ensure their personal loan products are ready to be granted Fairbanking Marks. The award for the Handy Loan product of the Hoot CU is a reassuring sign that there are personal loans serving the financial wellbeing of customers with poor credit ratings for whom many less reputable alternatives exist."*

"We hope that today's awards will act as a catalyst for more credit unions to apply for the Fairbanking Mark to demonstrate the fair and transparent service they are offering to the communities they serve."

Steve Bottrill, Chair of Hoot Credit Union, said: *"We are delighted to receive this accolade. This quality mark is an important step in helping members to identify that our loans have been rigorously tested for the financial well-being they can deliver."*

Andy Wright Manager 1st Class Credit Union *"1st Class Credit Union are delighted to have been awarded the 5 Star Fair banking award for our personal loan products, the staff and directors of 1st Class Credit Union are fully focussed on our members needs and this is reflected in the products we offer. We will also use the feedback to improve on our services bringing further transparency and financial well-being for our members."*

Robert Kelly – Chief Executive Officer, NHS Credit Union *"On behalf of the NHS Credit Union family, I am absolutely thrilled that we have been granted a 5 star award for our main personal loan product by The Fairbanking Foundation. Our commitment to serving members with high quality products*

and services built on an ethical value base and member centric ethos is the very fabric of our business model and this recognition is testimony to that approach in action.”

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About the Fairbanking Foundation Certification Scheme

The Fairbanking Foundation operates a certification scheme to encourage banking organisations to improve the financial well-being delivered by their products. The certification is called the ‘Fairbanking Mark’ and is granted in three, four or five star versions based on Fairbanking’s assessment of the level of the financial well-being the product delivers.

This evaluation involves:

- (1) An analysis of the product’s features which are then benchmarked against a set of drivers of financial well-being and money management practices that have helped customer behaviour change;
- (2) An extensive independent customer research to assess how the product is working in practice (over 50 questions);
- (3) Desk research to review product descriptions, operational procedures, promotional materials, lending policies and customer complaint logs for the product in question; and
- (4) A report is then submitted to The Fairbanking Mark Assessment Panel - an independent body of experts that reviews all product assessments performed by the Fairbanking Foundation, and also looks at wider factors, including the rates charged/offered by the product - then decides whether to grant a Fairbanking Mark, and what star rating to award.

Fairbanking Marks are granted in 3, 4 or 5 star variants in five possible categories - credit card, savings account, current account with overdraft and current account without overdraft and personal loans.

The Fairbanking Mark is not a guarantee or warranty of reliability or performance of any product or service.

About The Fairbanking Foundation

The Fairbanking Foundation is a not-for-profit, research-based charity (number 1125769) established in 2008 to encourage and assist providers of banking products to improve the financial well-being of their customers by enabling these customers to manage their money better. The Foundation does this through a combination of thorough consumer research to better understand what drives financial well-being, assessment of existing core banking products against this understanding, and the operation of the Fairbanking Mark certification scheme, now accredited by UKAS.

Further information and contact details for The Fairbanking Foundation can be found at www.fairbanking.org.uk

For further information or interviews, please contact Elizabeth Jones or Moritz Povel from Withpr at 020 7249 7769 or at Moritz.Povel@withpr.co.uk