



# Joining Forces CU - Credit Union Services for Armed Forces

Transition IPPD Information Sheet 13



*This Information Sheet seeks to draw attention to the arrangements made by the MOD that allow Armed Forces personnel to access credit union services through Joining Forces Credit Union. It also will highlight the differences between banking service providers so that individuals can make an informed decision on which institution might best suit their personal needs.*

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## Background

Most people have an account with a financial institution such as a bank or building society to keep their money safe, pay bills, track expenditure, gain access to credit in the form of loans or overdraft and access their own funds. Effectively managing personal finances is essential to achieving a sustainable healthy lifestyle whilst providing confidence to plan for the future. Individuals may have more than one account such as a current or savings account in one or more financial institutions. Most may not be aware of credit unions who provide a similar service to banks and building societies because they are not visible on the high street. Being aware of credit unions and how they differ from banks and building societies may better inform decisions on the management and planning of personal finances.

## Financial Institutions

A simple comparison of financial institutions is below.

Banks	Building Societies	Credit Unions
<ul style="list-style-type: none"> <li>• A public company owned and run for the benefit of shareholders who receive company profits.</li> <li>• Offers an extensive range of 'branded' financial services and products</li> <li>• Very strong high street presence.</li> <li>• Regulated by UK Financial Conduct Authority.</li> <li>• Protected by Financial Service Protection Scheme (£85,000)</li> </ul>	<ul style="list-style-type: none"> <li>• A private company owned by its members who are also customers</li> <li>• Profits distributed to members through rates of interest applied to savings and loans.</li> <li>• Focus on Loans for house purchase and improvement</li> <li>• Strong high street presence</li> <li>• Regulated by UK Financial Conduct Authority.</li> <li>• Protected by Financial Service Protection Scheme (£85,000)</li> </ul>	<ul style="list-style-type: none"> <li>A community savings and loan provider.</li> <li>• A Not For profit ethical financial cooperative.</li> <li>• Focus on service to members and not maximising profit</li> <li>• CU members have a common bond; area, employment, organisation or association.</li> <li>• Regulated by UK Financial Conduct Authority.</li> <li>• Protected by Financial Service Protection Scheme (£85,000)</li> </ul>

## Joining Forces – A Credit Union for the Armed Forces

Her Majesty's Treasury provided funding to help Armed Forces personnel access credit union services as a method of saving and paying off existing loans directly through the Armed Forces payroll system. This confidential service also provides an alternative to high cost pay day lenders and conventional banks that can financially penalise their customers who need the greatest support.

Joining Forces ( [www.joiningforcescu.co.uk](http://www.joiningforcescu.co.uk) ) comprises three individual credit unions that work in collaboration to support Armed Forces serving personnel and veterans. They are:

- 'Plane Saver' Credit Union ( <https://planesavercu.co.uk/MOD> ),
- 'Forces Finance': The London Mutual Credit Union ( <https://forcesfinance.org.uk/> )
- 'Serve & Protect': The Police Credit Union ( <https://serveandprotectcu.co.uk/> )



The MOD has worked with Joining Forces to provide this service, but it should be noted that the three credit unions are not endorsed by the MOD and that all financial decisions are the responsibility of the individual. The MOD's relationship with Joining Forces is contained in 2016DIN08-005.

<http://defenceintranet.diif.r.mil.uk/libraries/corporate/DINSfinance/2016/2016DIN08-005.pdf>

## Joining Forces CU Key Facts:



### Understanding Customers

Credit Unions are owned and run for the benefit of their members. This means the managers and staff have an understanding of the challenges and life-styles of their customers which enables them to make informed personal assessments of financial risk rather than apply centralised criteria that protects institutional shareholders



### Debt Consolidation

Individuals with poor credit history or those who have struggled with their personal finances, but wish to take back control of their finances may benefit from a debt consolidation loan provided by one of the Joining Forces Credit Unions.



### Saving

One of the underpinning principles of Joining Forces is to encourage saving – even small amounts in the first instant. This subsequently makes borrowing or seeking financial assistance easier to secure. Savings can be taken directly from your salary via JPA. Saving a small amount over a long period can make provision for significant events such as saving to cover the cost of private rental on leaving the Service or the costs associated with immigration for Non- British Nationals (formerly known as Foreign and Commonwealth personnel) or accumulating a contingency fund for unforeseen expenditure.

## Is a Credit Union right for me?

If you are financially secure and can access credit at competitive rates through established lenders, and are confident in your financial future there may be less reason to join a credit union. However, most individuals will face major personal expenditure at certain times in their life and will need access to credit. Some may have a poor credit history or struggle to effectively manage their personal finances. The cost of borrowing or accessing credit depends on an individual's credit rating or ability to repay a loan or clear debt which may vary based on the level of risk to the lender. Therefore, those with the greatest need for support from banks and building societies will most likely be offered less favourable rates or may be denied any form of financial assistance due to the level of risk associated to them.

Consider using Joining Forces CU as a valuable addition to high street banks and building societies that you currently use. Opening a simple savings account may provide a useful additional level of assurance, but more importantly, establishes you as a customer enabling you to draw on the support and services available should it be required.

## Guidance

Take control of your personal finances and make financial provision for the future using the most appropriate financial institutions and financial products for your personal circumstances:

- Responsibility for all financial decisions lies with the individual.
- Shop around and use a service provider that offers the financial product you require at competitive rates with acceptable terms and conditions.
- If you have a low credit score you may be less likely to get a loan from a high street financial institution. Avoid approaching high interest lenders (pay day loan providers) as these may further harm your credit score.
- Before committing to any major investment or financial product it is strongly suggested that individuals take professional financial advice from an independent financial advisor. Guidance on getting financial advice can be found at [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)
- Basic financial advice is available from the money advice service in the form of free guides at [www.moneyadviceservice.org.uk/freeguides](http://www.moneyadviceservice.org.uk/freeguides)

 <p><b>planesaver</b> Credit Union Loans &amp; Savings made simple</p>	 <p><b>F</b> Forces Finance</p>	 <p><b>SERVE &amp; PROTECT</b> Credit Union services for the Armed Forces</p>
<p>Plane Saver is proud to serve over 2,500 members of the Armed Forces. Since launching we have helped service personnel save and borrow over £4million, with flexible repayments straight from your military pay.</p> <p>Join today for free at <a href="http://planesavercu.co.uk/MOD">planesavercu.co.uk/MOD</a> or call: 020 8607 5020</p>	<p>Do you need an affordable loan, a payday loan with reasonable rates, a safe home for your savings or a new current account? Look no further - Forces Finance takes payments directly from your salary to make saving or repaying your loan easy and stress free.</p> <p>Join us and our thousands of happy members at <a href="http://forcesfinance.org.uk">forcesfinance.org.uk</a> or call: 0330 122 0021   Overseas (+44) 2030265341</p>	<p>Serve &amp; Protect is a trading name of the Police Credit Union, one of the largest credit unions in the UK with over 27,000 members, providing financial solutions to the protective services. Quote PROMO18JF when you join to receive £10 to kick-start your savings.</p> <p>Join today for free at <a href="http://serveandprotectcu.co.uk">serveandprotectcu.co.uk</a> or call: 0121 700 1247</p>
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