

Rebecca Evans AC/AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

Bethan Jenkins AM

Bethan.Jenkins@assembly.wales

22 January 2018

Dear Bethan,

I am writing further to First Minister's Questions held on 16th January 2018, where you asked if Welsh Government could facilitate the development of credit unions, including the creation of a credit union network to replace banks that have closed.

I welcome your question. I firmly believe credit unions are ideally placed, through their relationships with local communities, employers, schools and other community organisations to help strengthen the financial resilience of communities, through improved access to responsible credit and saving opportunities. For this reason they are key contributors to the Welsh Government's Financial Inclusion Delivery Plan.

Credit unions are increasingly working together to share good practice, and are collaborating to promote their services and widen their appeal throughout Wales, using the brand 'Creditunionsofwales'. I think this collective brand, supported by Welsh Government, has enormous potential to strengthen their identity. I want to see their presence in communities grow, including stronger partnerships with employers through the offer of workplace payroll saving and borrowing schemes. We are supporting credit unions to do this with the Welsh Government funding currently in place.

In respect of the creation of a national credit union network, credit unions, whilst being individual organisations governed by their own board structures and providing similar products, collectively provide all Wales coverage. The creation of a network may require the need for mergers and this decision would be for credit unions to take.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Your question looked for credit unions to replace high street banks where local branches have closed. I am pleased that credit unions have recently expanded on the traditional savings and loans service by making available prepaid cards, through third party providers, which provide many of the facilities offered through a current account. Members are using these accounts increasingly to receive salaries and other types of income and to pay bills via their direct debit and standing order features.

I know credit unions are working hard to strengthen the awareness and presence of their services within our communities, by taking forward a variety of marketing and outreach projects. To assist this work, a further £844,000 of Welsh Government funding is being made available for credit unions for 2018-19 and 2019-20. This work helps to ensure people are not excluded from accessing safe savings products and affordable loans. This builds on the £422,334 made available for 2017-2018, which has helped credit unions boost and promote their services across Wales.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive style with a large initial 'R' and a distinct 'E'.

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