

Community Savings Ltd.

Savings & Loans Made Easy

Do you recognise this scenario? You get paid weekly in cash and every penny disappears by the end of the week. You cash your benefit cheque to pay your bills and no matter how you try to make it stretch, it's all gone well before your next cheque is due!

Community Savings Ltd (CS Ltd)

Community Savings Ltd is a non-profit making limited liability company, wholly owned by the Community Charitable Trust. The entire operation is run on charitable donations collected by the trustees. There are three part time paid members of staff and all the other workers are volunteers. The whole set up was the brain child of Brian Curtis, the Chairman of CS Ltd and trustee of CCT who saw a need for a credit union style savings organisation in the Island, whereby people can manage their own money, savings and lending to each other at very competitive rates. There are no shareholders to satisfy. All the money saved earns a favourable rate of interest, and all the interest generated from loans is distributed amongst the members (a very small sum may be retained by the officers of the group to cover minor expenses).

Savings & Loans

The members of Common Interest groups all save a minimum of £5 per month . After saving regularly for a minimum of 3 months a member can borrow up to twice their annual predicted savings. By way of an example, saving at a rate of £10 per month a member will be able to borrow £240. Paid back over 12 months, this will cost £21.11 per month paying back a total of £13.29 in interest. After the first loan is repaid, subsequent loans may be made on the basis of three times the member's annual predicted savings. Member's must continue to save at least £5 a month though. There is a provision in the rules to say that loans may be charged at any amount from zero to 1% interest per month. Any loans must be for what is considered essential purposes. CS may agree to waive the interest if the circumstances are exceptional and all the committee members agree. Once a year the profit is credited to members' accounts.

If you have another bank account you can set up a standing order for the money to be paid in or you can go to the Collection Point to pay in cash or cheques. It is also possible for your wages or Income Support payments to be paid directly into your account, and then you could take out the money on a regular, more frequent basis enabling you to perhaps budget a little better and make your income last a little longer. Withdrawals are with seven days notice, and can be for cash, cheque or even cheques already made out to pay your bills. It really couldn't be easier to manage your money!

Forming your own Branch

We are always on the look out to set up more groups, as the benefits of saving and borrowing amongst groups of people are huge in comparison to a conventional bank. Credit Unions are very popular in most parts of the world – Google 'Credit Unions'; don't just take our word for it! And of course the benefits of getting into a regular savings regime are obvious.

Running a group involves very little time but a bit of commitment and lots of enthusiasm. The Common Interest Group's volunteers can take it in turns to run the collection point and they meet at least once a year for an AGM, to re-elect officers, decide on the interest distribution and report on issues since the last meeting. Committee meeting should be held quarterly. It is all backed up from the central administration so you are never on your own. There are some responsibilities - an officer who decides to resign must find a replacement, and something else to consider is that any losses through unpaid loans must be bourn by the entire group. However, it has been found that very few people default on loans obtained from a savings group in this way. It may be the

knowledge that it is your neighbours' and friends' money you are using; if a member runs into serious financial trouble and cannot continue paying the loan a 'breathing space' can be given or a revision of the repayments to make it easier. The beauty of credit unions is that they are usually set up deliberately to help people on lower incomes so everything possible is always done to assist people with financial problems. The last resort is of course the Petty Debts Court, which we would always try to avoid, but on occasion this may be necessary so as to make it clear that errant debtors will be pursued if absolutely necessary.

More about Community Savings Limited

In 2008, the Parish of St Helier kindly provided accommodation for our organisation within the Town Hall Charity Complex, giving us a central location and stability for our operation. The Jersey Bankers Association have made us honorary members and our patron is the Bailiff. We operate under the Jersey Banking Law and the Jersey Financial Services Commission regulates us. We are also part of the deposit protection scheme and have fidelity insurance. All of this enhances our credibility within the community of the Island.

The central administration office of CS, together with the "Jersey Branch", is located in Seale Street, at the side of Town Hall and is manned by administrators and volunteers. Current opening hours are:- Tuesday, Wednesday and Friday mornings between 9.30 and 12.30. We are also able to offer a mentoring service to anyone who has financial worries or concerns. We may not always be able to help you in a practical way, but we may be able to refer you to someone who can. Talking through a problem and getting some friendly advice may be all it takes to alleviate your problem, and we can always provide a sympathetic, listening ear.

Why not contact us to find out more:

Tel: + 44 (0) 1534 737555

Fax: + 44 (0) 1534 737201

Mobile: 07797 737840

E mail: community.banking@tiscali.co.uk

Or call in to the Jersey Branch at the Town Hall, St Helier, Jersey, JE4 8PA