

FAIRshare Credit Union Limited

Terms & Conditions

This document contains important information about your membership of FAIRshare Credit Union Limited. It explains our obligations to you and your obligations to us. A large print version of this document is available on request.

Your agreement with us is contained within these terms and conditions, together with any additional terms and conditions that are specific to a particular account or facility. Details of any additional items will be provided to you on applying for the relevant account or facility. In this agreement “we”, “us” and “our” refer to FAIRshare Credit Union Ltd. “You” and “your” mean any customer opening an account with us and include (where appropriate) any person you authorise to give instructions on your accounts. We may use the term “Shares” to refer to deposits you hold with FAIRshare Credit Union. As the credit union is a democratic organisation you are said to be buying shares when making deposits. Members of the credit union have the same rights regardless of their shareholding (i.e. savings level).

In this agreement, working days means Monday to Friday, except public holidays. These Terms & Conditions are governed by English law. We are required by law to tell you that this agreement is in English and we will communicate with you in English.

A copy of the current FAIRshare Credit Union Rules are available on our website.

SECTION ONE – GENERAL TERMS

1.1 Adult Membership

- 1.1.1 Adult Membership of FAIRshare Credit Union is open to anyone living, working or studying in Shropshire, or working for a Shropshire based company.
- 1.1.2 To become a member of FAIRshare Credit Union you must be at least 16 years of age. We offer a separate facility for young people under the age of 16.
- 1.1.3 On applying to become a member of FAIRshare Credit Union we will require proof of your identity and evidence of your current address (and previous addresses if you have moved within the last three months).
- 1.1.4 If applying to become a member of FAIRshare Credit Union online, we will confirm your identity and address electronically. If the electronic verification fails, we will contact you and ask you to provide additional documentation.
- 1.1.5 We have the right to decline to accept your money or your application to open an account with us.

1.2 Junior Membership

- 1.2.1 Junior Membership of FAIRshare Credit Union is open to anyone living or studying in Shropshire.
- 1.2.2 Junior membership is for young people under the age of 16.
- 1.2.3 Proof of identity is required to join FAIRshare. If the account is being opened by a parent or adult who is already a member of FAIRshare then either the child’s birth certificate or NHS medical card are sufficient. If the adult opening the account is not a member proof of the adult’s identity & confirmation of address will also be required (see clause 1.1.3 & 1.1.4).
- 1.2.4 There is no minimum savings requirement for junior members
- 1.2.5 A junior member under the age of 12 years must have a nominated parent or guardian who manages their account.
- 1.2.6 We have the right to decline to accept your money or your application to open an account with us

1.3 Deposits

- 1.3.1 Deposits may be made by:-
 - Standing Order or manual electronic transfer from a bank account
 - Payroll Saving (deducted directly from your wages by your employer)
 - Electronic transfer from a third party (i.e. salary or benefit payments)
 - Cash or cheque over the counter
 - Cheque by post (you must not send us cash by post)
 - PayPoint card (at any participating outlet)

- 1.3.2 A deposit slip must be completed for each deposit that you make into your account(s) at the credit union branch office, service point or collection point.
- 1.3.3 You will receive a receipt signed by the cashier serving you for each deposit that you make into your account(s) at a credit union branch, service point or collection point. Receipts should be checked for accuracy and kept for checking against your account statements.
- 1.3.4 Cheques should be made payable to "FAIRshare Credit Union Ltd".
- 1.3.5 When sending cheques by post you must write your full name, address and credit union membership number on the reverse of the cheque.
- 1.3.6 Any deposits made by cheque will be unavailable for withdrawal until we have received confirmation from our bank that the cheque has been cleared.
- 1.3.7 Deposits made by PayPoint (minimum £5 per transaction) may take 3 or 4 working days to be credited to your credit union account(s).
- 1.3.8 If making a deposit through PayPoint you should ensure that you receive a receipt for your payment for checking against your account statements.
- 1.3.9 Standing Orders will generally be credited to your credit union account within 24 hours after the payment has been debited from your bank or building society account.
- 1.3.10 Deposits made by Payroll Saving may take up to 10 working days to reach your credit union account(s) due to the time taken by some employers to notify us of deductions made. You will be notified of the estimated lead time when you sign up for Payroll Saving.
- 1.3.11 We can only accept responsibility for payments into your credit union account(s) after we have received and checked them.
- 1.3.12 All arrangements made by members for payment to us whether electronic or manual must include a reference. This reference must start with you FAIRshare membership number followed by your surname. Ensuring that these details are included at the start of the reference will avoid any delay in your payment being processed accurately and efficiently.
- 1.3.13 Junior members can deposit money into their account through a School Saver Club at participating schools.

1.4 Disbursements

- 1.4.1 We use the terms "disbursements" to refer to the issuing of share withdrawals and loan payments.
- 1.4.2 Disbursements can be issued using the following methods:-
 - Faster Payment (electronic transfer to your bank account)
 - BACS (electronic transfer to your bank account)
 - Transfer onto your Engage Prepaid Visa Card
 - Cash at any FAIRshare Credit Union branch
 - Cheque
- 1.4.3 The maximum disbursement available per cheque encashment is £500.
- 1.4.4 The maximum sum available by either Faster Payment or BACS is £5,000.
- 1.4.5 Requests for withdrawals may be made in person at our branches, by telephone or by email – account verification will be required.
- 1.4.6 A share withdrawal form must be completed prior to disbursement (with the exception of remote withdrawal requests made in accordance with 1.4.3 and 1.4.4).
- 1.4.7 Loan disbursements will only be issued upon completion of a Loan Agreement Form signed by the borrower.
- 1.4.8 All disbursements are subject to the availability of funds in your FAIRshare Credit Union account(s).
- 1.4.9 A minimum of £5 must remain in the account to keep it open (see clause 1.5.6).
- 1.4.10 Funds deposited by cheque may not be withdrawn until the cheque has been cleared by our bank. This is usually 5-7 working days from the date you deposit the cheque in your credit union account.
- 1.4.11 We may in exceptional circumstances decide to waive the requirements relating to the size of cash disbursements. Such instances will be entirely at our discretion and will not establish any precedent for future decisions.
- 1.4.12 Members may nominate up to two bank accounts held in their name to receive electronic disbursements remotely by providing the bank name, branch, sort code and account number. Other criteria may apply to other accounts. There may be a charge for subsequent nominated accounts.
- 1.4.13 Under normal circumstances, disbursements made using the Faster Payment or BACS service cannot be cancelled once an instruction has been processed. Members will be liable for any charges incurred by the credit union in attempting to cancel disbursements requested by cheque to a third party once the member's instruction has been completed.

- 1.4.14 In the event of a loan falling into arrears we reserve the right to stop any disbursements from a member's savings account. Members who have a loan must retain a minimum balance equivalent to 15% of the loan value in their Linked Saver account. This is referred to as 'security' or 'locked savings'.
- 1.4.15 Withdrawals from junior members' accounts can be arranged to a nominated parent or guardian's bank account by telephoning FAIRshare member services.
- 1.4.16 Withdrawals from junior members' accounts can also be made in person by the junior member accompanied by the Nominated Adult/Guardian (if the child is under 12 years old) or by the junior member (if 12 years or older) from our Telford or Shrewsbury branch.
- 1.4.17 Junior members can administer their account from the age of 12 years.

1.5 Charges

- 1.5.1 A non-refundable one-off administration fee of £5 will be deducted from your first deposit to FAIRshare Credit Union. We reserve the right to waive our entrance fee from time to time. (Not applicable to junior accounts).
- 1.5.2 We are charged for each PayPoint deposit made to our account. If the amount you deposit is £5 or more then we will not pass on the charge. If the amount you deposit is less than £5 the charge levied by PayPoint may be deducted from your FAIRshare account at cost. The charge for each PayPoint deposit under £5 is currently 50p with the exception of transactions made through the Post Office which are charged at 57p. You will be advised of any changes to this charge prior to any change taking effect.
- 1.5.3 There is a £2 a month management fee for the Engage Prepaid Visa Card, deducted by Engage from your card.
- 1.5.4 If a member makes a deposit by cheque that fails to clear into the credit union bank account the member will be liable for any charges incurred by us. These charges will normally be deducted from the member's savings account.
- 1.5.5 Members will be liable for all charges incurred by us in recovering any debt owed to the credit union that has fallen into default.
- 1.5.6 For accounts that are deemed to be dormant (i.e. no transactions in the preceding 12 month period) we reserve the right to charge an annual fee of £5 (or part thereof).

1.6 Accessing account information

- 1.6.1 Members receive a statement of account from us at least once a year showing all recent transactions on share (savings) and loan accounts.
- 1.6.2 Members can check balances on their accounts at any time by contacting Member Services during branch opening hours.
- 1.6.3 Members should tell us as soon as possible if they believe a statement or account balance includes something they believe to be incorrect or not processed in accordance with their instructions.
- 1.6.4 We will correct any erroneous entries on members' accounts as soon as possible after they have been identified and verified.
- 1.6.5 Information requested from the member is verified against information held on our records. Details requested will include a combination of name, password, address, date of birth, membership number, telephone number or email. We may not be able to assist you if we are unable to confirm your identity from the information provided.

1.7 Dividends

- 1.7.1 Any dividend shall be declared on all full shares held during the preceding financial year. New members joining FAIRshare Credit Union partway through a financial year will be entitled to a proportional dividend based on shares held for each full month of membership.
- 1.7.2 Our financial year runs from 1st October to 30th September.
- 1.7.3 The proposed rate of annual dividend will be determined by the Board of Directors and ratified by the members at the Annual General Meeting. Dividends will be paid to members as soon as practicable thereafter.
- 1.7.4 Dividends will be credited to members' accounts gross i.e. without any deduction of tax. It is the member's responsibility to notify HM Revenue & Customs of its receipt.
- 1.7.5 Junior members are not entitled to a dividend however a bonus may be awarded to Junior Savers at the discretion of the Board of Directors.

1.8 Miscellaneous

- 1.8.1 We can act on our members' instructions when they are legally and lawfully given:-
- In writing, including an original signature (or that of an authorised third party)
 - Verbally, when the member (or their authorised third party) has satisfied our security procedures
 - By email, when the member (or their authorised third party) has satisfied our security procedures
- 1.8.2 When visiting our branches, collection points and service points we require members to treat our staff and other customers with respect and courtesy. We reserve the right to close the account of any member breaching this requirement by providing them with 14 days notice in writing.
- 1.8.3 We may use any contact details provided to us for service related reasons. In the first instance, Members' annual statements of account and any other general information about us will be sent to the email address provided by the member. Alternatively paper copies of statements will be sent to the member's home address unless we are told otherwise.
- 1.8.4 It is the member's responsibility to notify us of any change in their contact details. We will continue to send information to the last known email & postal address we have on file. Members who do not inform us promptly about changes in their details risk the security of their personal information.
- 1.8.5 A member can authorise another person to operate their account(s) by signing a third party mandate. If a member decides to do this they accept that they will be responsible for the other person's actions or omissions as if they were their own.
- 1.8.6 Members can transfer money between their FAIRshare Credit Union accounts. These transfers will normally be actioned on the same day we receive the instruction.
- 1.8.7 If there is no activity on a member's account for a 12 month period we may make their membership dormant. Members will be contacted prior to us taking this action and given the opportunity to reactivate or close their account (see clause 1.5.6).
- 1.8.8 The maximum amount which can be held in a FAIRshare Credit Union account is £10,000 or 1.5% of the total Non-Deferred Shareholdings in the Credit Union, whichever is the greater figure.
- 1.8.9 We may, at our discretion, vary or add to our Terms and Conditions to reflect a change in:-
- Market conditions
 - The cost of providing services to our members
 - Technology for our facilities or services
 - Good credit union practice
 - The law
- 1.8.10 Except for changes in any interest rate, we will give members at least 30 days notice of any variation or addition to our Terms and Conditions. We reserve the right to notify members by a method of our choice. This will include notice by email, by post, by placing a notice on our website, by advertising in one or more local newspapers or by notification in branches, service points and collection points.

SECTION TWO – ACCOUNTS

The following terms & conditions apply to all FAIRshare Credit Union savings accounts. Additional criteria may apply to some specific accounts.

2.1 General Terms

- 2.1.1 The first deposit into FAIRshare should be at least £6. This covers the one-off administration fee (see 1.5.1) plus a minimum of £1 (minimum shareholding) to open the account.
- 2.1.2 The minimum required balance held with us to remain a member is £5. This level of savings must be reached within 6 months of the account being opened.
- 2.1.3 If the minimum level of savings is not attained within 6 months you will be contacted by us and notified that unless you meet the minimum saving requirements within 6 months of the date of notice, your account will be closed. Any funds held within your savings account(s) will be forfeited to us.
- 2.1.4 Members may hold more than one savings account.
- 2.1.5 Unless specified otherwise members qualify for an annual dividend subject to one being paid.
- 2.1.6 Regular savings of £1 per week (£5 per month) are required to avoid charges being applied to the account (see 1.5.6).

- 2.1.7 Members may choose to close some or all of their savings accounts at any time (subject to the conditions in 3.1.10) by contacting Member Services or by completing a Closure of Account form. We reserve the right to require a maximum of 30 days notice of the account closure.
- 2.1.8 Members closing all of their accounts automatically end their membership and cease to be shareholders in FAIRshare Credit Union.

2.2 Standard Share Account

- 2.2.1 Minimum balance conditions apply – see clause 2.1.2. If the Standard Share Account is the only account held with FAIRshare the minimum balance will be £5.
- 2.2.2 Members qualify for an annual dividend subject to one being paid.

2.3 Young Saver Account

- 2.3.1 Young Saver accounts can be opened by adults for children from birth up to the age of 16 years.
- 2.3.2 Proof of identity is required to open a Young Saver account (see clause 1.2.3)
- 2.3.3 There is no minimum savings requirement for young saver accounts.
- 2.3.4 Parents, guardians, relatives and friends can also deposit savings into a Young Saver Account.

2.4 School Saver Account

- 2.4.1 Participating schools can verify the young members' identification when opening a School Saver account.
- 2.4.2 Junior members under the age of 12 must have a nominated parent or guardian who manages the account. Proof of identity & address is required for the nominated parent or guardian (see clause 1.2.3).
- 2.4.3 There is no minimum savings requirement for school saver accounts.
- 2.4.4 If the junior member leaves a participating school their school saver account will be converted to a Young Saver account unless the school to which they move has a participating School Saver Club.

SECTION THREE – BORROWING

The following terms & conditions apply to all our loan products. Additional criteria may apply to some specific accounts.

3.1 General information

- 3.1.1 You must be aged 18 years or over and a member of FAIRshare to borrow from the Credit Union.
- 3.1.2 The minimum amount they can borrow is £50.
- 3.1.3 The maximum amount of a loan is £7,500 above any amount held in savings, subject to status.
- 3.1.4 The amount members are able to borrow is assessed on the ability to afford the repayments based on their income and expenditure.
- 3.1.5 We do not guarantee to grant the loan amount requested.
- 3.1.6 We will make searches about you at Credit Reference Agencies who will supply us with credit information as well as information from the Electoral Register.
- 3.1.7 The maximum repayment period for FAIRshare Credit Union loans is five years. The actual maximum repayment period may vary according to the type and size of loan applied for.
- 3.1.8 As a condition of borrowing from us members must retain a minimum balance equivalent to 15% of the loan value in their Linked Saver account. This is referred to as 'security' or 'locked savings' and is retained as a measure of security. Members who do not have this security when taking out a loan will be required to build up their savings to the required amount. Withdrawals during this period may be permitted at the discretion of FAIRshare Credit Union.
- 3.1.9 Loan repayments can be increased without any penalty.
- 3.1.10 Before a member can close their account and end their membership of FAIRshare Credit Union all outstanding loans must be repaid in full.

3.2 Handi-Loan with OpenCash

- 3.2.1 The maximum Handi-Loan value is £500.
- 3.2.2 Non-members may apply for a Handi-Loan but if approved must join FAIRshare before funds are released.
- 3.2.3 The first deposit into the account should be at least £6. This covers the non-refundable one-off administration fee (see 1.5.1) plus a minimum of £1 to open the account.

- 3.2.4 Members must save a minimum of £2.52 a week for 52 concurrent weeks or £10.70 a month for 12 concurrent months before saving withdrawals can be made unless the Handi-Loan is repaid in full. A specific 'Locked Savings Account' will be opened for this purpose. Subject to a good repayment history and no repayment arrears, the Locked Savings Account will be converted to a Linked Saver Account after 52 weeks (12 months) and 15% of loan value must be retained (see clause 3.1.8).
- 3.2.5 You may pay a £10 faster payment charge for funds to be in your bank account within 24 hours of your loan agreement being signed. If you prefer not to pay this charge funds may take up to 5 days to be credited to your account excluding weekends and bank holidays.
- 3.2.6 Repayments must be paid weekly or monthly by standing order. Failure to do so could affect your OpenCash facility.
- 3.2.7 OpenCash is not available if loan repayments are in arrears.
- 3.2.8 Subject to qualifying (see clauses 3.2.6 & 3.2.7) a Handi-Loan can be topped up using OpenCash whenever the Handi-Loan balance is £400 or less. The minimum top up value is £50.
- 3.2.9 12 weekly or 3 monthly repayments are required before OpenCash top ups will be considered.
- 3.2.10 An early repayment penalty of £20 will be charged if a loan is repaid in full within 12 weeks of the original date of issue.
- 3.2.11 Only 1 Handi-Loan will be issued at a time. If the initial Handi-Loan has been repaid in full you can apply for a new Handi-Loan but FAIRshare's standard terms will apply to all subsequent loans.

3.3 Handi-Loan Plus with OpenCash

- 3.3.1 The maximum Handi-Loan Plus value is £1500.
- 3.3.2 Non-members may apply for a Handi-Loan Plus but if approved must join FAIRshare before funds are released.
- 3.3.3 The first deposit into the account should be at least £6. This covers the non-refundable one-off administration fee (see 1.5.1) plus a minimum of £1 to open the account.
- 3.3.4 Members must save a minimum of £2.56 a week for 78 concurrent weeks or £11.74 a month for 18 months before saving withdrawals can be made unless the Handi-Loan Plus is repaid in full. A specific 'Locked Savings Account' will be opened for this purpose. Subject to a good repayment history and no repayment arrears, the Locked Savings Account will be converted to a Linked Saver Account after 78 weeks (18 months) and 15% of loan value must be retained (see clause 3.1.8).
- 3.3.5 You may pay a £10 faster payment charge for funds to be in your bank account within 24 hours of your loan agreement being signed. If you prefer not to pay this charge funds may take up to 5 days to be credited to your account excluding weekends and bank holidays.
- 3.3.6 Repayments must be paid weekly or monthly by standing order. Failure to do so could affect your OpenCash facility.
- 3.3.7 OpenCash is not available if loan repayments are in arrears.
- 3.3.8 Subject to qualifying (see clauses 3.3.6 & 3.3.7) a Handi-Loan Plus can be topped up using OpenCash whenever the Handi-Loan Plus balance is £1400 or less. The minimum top up value is £50.
- 3.3.9 12 weekly or 3 monthly repayments are required before OpenCash top ups will be considered.
- 3.3.10 An early repayment penalty of £20 will be charged if a loan is repaid in full within 12 weeks of the original date of issue.
- 3.3.11 Only 1 Handi-Loan Plus will be issued at a time. If the initial Handi-Loan Plus has been repaid in full you can apply for a new Handi-Loan Plus but FAIRshare's standard terms will apply to all subsequent loans.

3.4 Secured Saver Loan

- 3.4.1 Savings are locked to the value of outstanding loan balance whilst repaying the loan.

3.5 Consolidation Loan

- 3.5.1 Disbursement will be direct to creditors.
- 3.5.2 No Top Ups are permitted, but one additional loan product (not a second Consolidation Loan) may be available to a member dependent on affordability.

3.6 Interest charges

- 3.6.1 The maximum rate that FAIRshare Credit Union is permitted to charge on a loan account is 3% per calendar month on the reducing balance of the loan (42.6% APR).
- 3.6.2 Interest is calculated daily on the reducing balance of your loan.

3.7 Defaults

3.7.1 We may use any balances held in a member's savings account to reduce or repay any loan held by them that falls into default. We will notify members that this may happen and give them the opportunity to make the necessary repayments.

3.7.2 We may share details of how members manage their borrowing from us with Credit Reference Agencies (CRAs). We may register the default of members who fail to respond to default notices sent by FAIRshare Credit Union with CRAs. The registration of a default notice may affect their ability to obtain further credit.

3.7.3 We will take all necessary steps, including legal action, to recover loans in default. If members fail to respond to default notices sent by us we will pass the debt to a debt recovery agency.

3.7.4 Failure to respond to the debt collection agency may result in court action being taken to recover the money owed.

3.7.5 We may also pass the debt to the DWP for recovery through the Eligible Loan Deduction Scheme.

ABOUT US

FAIRshare Credit Union Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our members' savings are protected under the terms of the Financial Services Compensation Scheme (FSCS). This provides guaranteed protection of 100% of the first £85,000 you have saved or in the case of joint accounts held by two eligible depositors, £85,000 each making a total of £170,000. The FSCS has announced a new lower deposit guarantee limit of £75,000 will be introduced from 1st January 2016.

COMPLAINTS

FAIRshare Credit Union complies with the requirements of the Financial Ombudsman Service (FOS). We will investigate any complaint as quickly as possible and take appropriate steps to rectify the situation in line with our internal complaints procedure. If having received our response a member is not completely satisfied they will be able to refer their complaint to the FOS at, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

DATA PROTECTION

We will process your data in accordance with your rights under the Data Protection Act 1998. Your information may be processed by us in any appropriate form and on any database used by us for the following purposes:-

- To consider any applications made by you
- To help us make decisions about you and anyone to whom you are linked financially or other members of your household
- To operate your account(s) or manage any other services we provide to you
- To undertake statistical analysis, financial risk assessment, money laundering checks (which may include telephoning & emailing you), compliance, regulatory reporting, fraud prevention and debt tracing
- To help us identify products and services that may be of interest to you. You may tell us at any time if you do not wish to receive marketing communications from us by writing to us with your full name, address and account details.

Sharing information

We hold relevant interim Consumer Credit permissions and will only disclose information outside the credit union to the following:-

- Our agents or subcontractors for operational reasons including debt collection agencies
- Any persons including but not limited to insurers who provide a service or benefits to you for us in connection with your account(s)
- Licensed credit reference agencies in accordance with the Data Protection Act and the terms of the Consumer Credit Act
- Fraud prevention and other agencies to help prevent crime or where fraud is suspected
- If compelled to do so by law
- For the purpose of compliance and regulatory reporting and to confirm your identity for money laundering purposes which may include checking the electoral register.

LAW AND LANGUAGE

If you hold an account with us we will always communicate with you in English. The contract you form with us when you open an account is also in English. It will be governed by English Law and will be subject to the exclusive jurisdiction of the courts of England and Wales. English Law will also govern any pre-contract relationship existing between us.