

Norwich Credit Union Ltd (NCU)

Policy Manual

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1. Management

The Structure of the Board

The responsibilities of the Board are set out in Rule 122 and in the responsibilities prescribed by the Financial Conduct Authority and the Prudential Regulation Authority. To ensure that the Board complies with the current regulatory processes concerning Senior Managers and with the Certification Regime for certain other staff members, the Board has:

- Notified to the PRA/FCA and designated as SMF8 (CU Senior Management Function) or as Approved Persons as appropriate.
- Designated one such person as SMF17 to hold the Money Laundering reporting function
- Decided that for new Board members any decision for them to become regulatory "Senior Managers" will be taken on a case by case basis.

The Board believes that this approach reflects our cooperative way of working and is the simplest and most flexible way forward for a Credit Union of our size. The Board therefore works through collective oversight and management which due to our size means major decisions can be overseen by the Board rather than allocated to a single individual.

Policy Establishment, Implementation & Review [Rule 122 on Directors' responsibilities]

The establishment of policies is the responsibility of the Board of Directors. NCU staff and members can propose changes or additions to policies as necessary. The implementation of policies will be by staff as appropriate.

The Board of Directors aim to review each policy at least once a year (at the Board Meeting in the month indicated in the contents page of this document) and at other times if necessary. Progress towards our Business Plan objectives is monitored by regular reports to each Board Meeting. The Board will hold a strategy meeting at least once per year and will set out its strategic direction as part of a three year rolling business plan.

One Member is appointed as compliance officer to maintain a checklist of regulatory and legal requirements and to report regularly to the Board on any changes to the law or regulation and how these changes may be implemented.

Board of Directors Meetings [Rules 106-121]

The Board of Directors will hold a meeting at least once a month unless otherwise agreed. The Secretary is charged with arranging accommodation, minutes, agenda, reports and information required by the Board.

The quorum for the transaction of business constitutes a majority of the Board of Directors. The maximum number of Directors is determined by the AGM. If there is not a quorum the meeting may be adjourned between 2 & 30 days. At the subsequent meeting at least 3 directors should be present. Decisions are decided by a majority of votes. Each Director has one vote. In the event of an equality of votes the chairperson of the meeting has a second or casting vote.

Members of the Supervisory and Credit Committees are welcome to attend any Board meetings as observers. The President may invite guest speakers to Board meetings. Directors who are unable to attend meetings should notify the Secretary as soon as possible.

Annual General Meetings [Rules 79-82, 89-105]

The Board will co-ordinate arrangements for the AGM including date, time & venue, guest speaker (if any), refreshments, budget requirements, publicity & constitutional requirements and will be held on or before 31 March each year.

Nominations for the Board of Directors, the supervisory committee and the credit committee should be received at the office at least 14 days before the date of the AGM. At least 42 days prior to the AGM the Board will consider appointing a nominating committee of 3 members to ensure there is at least one candidate for each officer vacancy. The nominating committee will automatically dissolve at the close of the AGM.

Between 28 and 14 days prior to the AGM notice of, and agenda for, the meeting will be sent to all members. If a member has provided us with an e-mail address, notice will be sent electronically.

10% of the membership or 15 members, whichever is the lesser number, constitutes a quorum at the AGM. If the meeting is not quorate it should be adjourned to a date within 30 days and at this meeting those members present will form a quorum.

Banking arrangements [Rule Book does not cover this topic directly]

The Board will determine, from time to time, the designated banks for NCU's principal bank accounts. Transfer of funds from current to deposit accounts or vice versa, will be carried out by the Treasurer, or as delegated, following recommendation by the Board.

The Board will approve all bank mandates and mandate changes for the NCU, including setting the minimum level of transaction requiring two cheque signatories and authorising persons able to make payments by Bank Transfer. All payment requests must be properly documented and conform with laws affecting credit unions, rules, contracts entered into and Board Policy.

The Treasurer controls expenditure and has authorised Board Members discretionary spend up to £250, without specific permission, subject to receipts and justification being provided.

Connected Persons & Conflicts of Interest [Rules 135 -136],

No member of the Board or committee of NCU will be allowed to vote on an issue or, including employees, participate in discussions which affect their pecuniary interest or that of any person or body (other than NCU) in which they are directly interested. In all other respects, Board and committee members will be treated in accordance with the policies of NCU determined by the Board as 'ordinary' members of NCU.

If a Director has a conflict of interest, it must be declared to the Board at the time the contract or agreement is discussed.

Risk Management & Business Continuity

The Board will ensure a Risk Register is maintained focussing on specific risk events, their likelihood and potential impact and to consider actions needed to mitigate those risks. The Risk Register will be considered every year.

Reviewed: January 2024

Next review: January 2025

2. Membership [NCU Rules 7 – 34]

Qualification to membership

The qualification for admission to membership of NCU shall be that of residing or being employed in the county of Norfolk or in those NR postcodes within Suffolk so that in consequence thereof there shall be a common bond between all the members.

Members who are no longer in the common bond become non-qualifying members.

Persons who live in the same household and are relatives of qualifying members may also join.

Membership also includes a corporate body, an individual in his/her capacity as a partner in a partnership, or an officer or member of the governing body of an unincorporated association if these organisations are within the county of Norfolk or in those NR postcodes within Suffolk or have a significant connection such as housing provider.

Only elected officers and staff may sign up new members. An adult member (18+) becomes a co-shareholder in NCU, which entitles him/her to vote at the Annual General Meeting and to stand for election to any of the officers' posts of NCU. Persons under the age of 18 (junior savers) are not able to vote at the AGM or stand for election.

The Board will determine the Service Fee from time to time, currently 4 deductions of £1 each quarter from each member's shares. This will not apply to members with Christmas Club savings only (ie no shares) and to members with loans bearing the maximum interest rate.

New Members: Acceptable proof of identification & address

A minimum of 2 separate items of ID are required
or

1) *To prove the name:*

Photo ID from a government issued document (central or local government). The document must provide either a date of birth or residential address.

Acceptable ID includes a Passport, Driving Licence, Student ID card, Bus Pass, Staff card, (public sector or major employer), EU ID card, Home Office Doc. Permission to remain in UK, Naturalisation papers, Birth Certificate, NHS medical card, Citizen's Card, National Probation Service Or, photo and address ID in one document (usually a hostel)

2) *To prove the address*

ID showing proof of permanent address, dated from no more than 3 months ago

Acceptable ID includes DWP journal entry, Utility bill, Bank statement, Council Tax bill, Benefit, Pension or Tax correspondence, P60 or Payslip, Rent card or Tenancy Agreement, Insurance Certificate, Voter Registration information.

The documents should be carefully checked to ensure their validity. Should any doubts arise then further enquiries must be made and additional information obtained.

If photo ID is not available then individual arrangements for providing ID can be discussed. Normally this will entail providing 3 documents - 2 to prove the new member's name (without photo ID) and 1 to prove their address.

Photo ID may be required if a member wants a loan with exposure of over £500 or if the pattern of savings has triggered a report to the Money Laundering Officer.

If the member does not provide sufficient or suitable ID then Transunion will be used to verify the member's identity.

Provisional Membership

It is recognised that potential members may wish to apply for Membership via the Website and identification can be provided electronically. Provisional membership allows people to join and to start saving immediately. If, after a reminder, they have not started saving or made contact, the account will be closed and any monies paid will be returned.

Accounts with little activity

Except in exceptional circumstances, a minimum shareholding of £5 after the first six months is a requirement of membership. This does not apply to members with Family Loans.

The Board can close accounts with less than £10 in shares if twelve months passes without any transactions being initiated by the member and the member does not respond to contact being made. E-mails, phone calls and letters to last known address will all be used to make contact. Special personal circumstances will be taken into account, before a final decision is made.

Reviewed: January 2024

Next review: January 2025

3. Services [Rules 35-55]

Location of Office & Service Points

The registered office of NCU is:

26 Pottergate, Norwich, NR2 1DX

Tel: 01603 764904

Email: office@norwichcreditunion.org.uk (*general enquiries*)

members@norwichcreditunion.org.uk (*member enquiries*)

Website: www.norwichcreditunion.org.uk

Services are provided online, by email, by telephone and, when possible, at a Service Point. The following services are available to members and potential members:

- Information about NCU and eligibility for membership
- Processing applications for membership
- Receiving payments from members for savings and loan repayments
- Help with completion of standing order mandates, if required
- Receiving requests for withdrawal of shares and Share to Loan transfers
- Completing loan applications
- Dealing with account queries
- Dealing with requests for Allpay cards
- Advising members on how to access their account on-line.

Savings

Every member accepted on the register of members must have a regular share account with a unique number. A member and their account are considered as provisional until the member has saved a minimum of £1 and has complied with the Money Laundering Policy, within one month of joining. Members can request a statement of their account which will be emailed or posted to them. Members are expected to bring their savings up to £5 in the first three months. The overall limit on savings is 1.5% of the total non-deferred shares in NCU. [Rule 47]. For the year commencing March 2024 this will be £15,000 and will be reviewed annually.

NCU reserves the right to allow time to ensure a cleared balance before a member withdraws their shares.

Attached Shares

For Family loans – there are no attached shares.

For Secured loans – the attached shares are the sum of the member's current loan balance and the interest charged throughout the duration of the loan.

For all other loans – the attached shares are normally one third of the member's current loan balance.

Requests for withdrawal of attached shares should be referred to Credit Committee while any remaining shares are available for withdrawal.

When the member is not fulfilling their loan commitment, the Treasurer and Credit Committee members (without the Member's authority) may authorise the transfer of shares to meet a member's liability and reserve the right to refuse withdrawals where the loan is delinquent.

Payments to Members

Payments can be made by bank transfer, onto a prepaid card, or by cheque. It is possible for payment to be made to a single third party, if authorised by the member in writing.

Payments in cash can be made to members who visit the NCU offices with appropriate ID.

The Board will determine the number and name of cheque signatories and those authorised to use NCU's debit card. Tellers are required to check the identity of members requesting payments.

Prepaid cards

These will be made available to members on request once the member has provided the necessary ID. Members may only have funds from their NCU account paid onto their prepaid card.

Life Savings Insurance

NCU is a member of the Association of British Credit Unions limited (ABCUL) and has taken out a Life Savings Insurance Policy under the Cuna Mutual Credit Union Bond Scheme. All individual members with savings balances are insured for savings deposited before their 80th birthday, up to £15,000. The amount of insurance received by the beneficiary is based on the member's insured balance at the date of death, at 100% where the age of deposit was 16 to 64 and 25% of the lowest balance of savings added from age 65 to 79. Savings made after the age of 80 are not taken into account. Any changes in balances during the 6 months before death may be taken into account.

Reviewed: March 2024

Next review: March 2025

4. Loan Policy

Loans are granted for “provident and productive purposes e.g. household repairs, furniture, car maintenance, bills, training, holidays etc.”

The Board appoints a Credit Committee and Loans Officers to give due consideration in confidence to loan applications from members. The procedures and levels of authority are agreed by the Board on a six-monthly basis when loan policy is reviewed. Certain loan applications will always be referred to the Board and the Board may in exceptional circumstances grant loans not meeting all of the requirements of this policy.

Credit Committee

The Credit Committee and Loans Officers seeks to deal with loan applications as quickly as possible. The following guidelines set out how loans will be handled:

- A Loans Officer or Credit Committee member can agree a loan within policy and with an exposure of up to £1,500.
- 2 members of staff, of which at least one must be a Credit Committee member can agree a loan within policy and with an exposure of up to £2,500.
- Loans with exposure between £2,500 and £3,000 require the approval of three Loans Officers or members of the Credit Committee, at least one of which must be a Credit Committee member. Applicants will be asked to provide additional information on income and expenditure, in the form of wage slips or accounts and bank statements or, for example, via interviews, Open Banking and credit checking.
- For high-risk loans (new advance over £5,000) or with exposure of over £3,000, the member will be interviewed by a member of Credit Committee and a formal risk assessment should be made. The loan approved must be supported by three Loans Officers or members of the Credit Committee, at least one of which must be a member of the Credit Committee.
- The Credit Committee reserves the right to seek a guarantor in certain circumstances.
- Where a Board, Committee, staff member or a member of their family requests a loan then they will not participate in the approval process.

Where the Credit Committee are willing to approve a loan request which lies outside Policy then this may only be granted following the approval of a member of the Board nominated to approve such loans.

If a loan is refused the member will be given reasons and has the right to have their application reviewed by the Board.

Loans taken out specify a level of attached shares. Shares in excess of this level are generally available for withdrawal without recourse to Credit Committee. Where a member does request share withdrawals that involve attached shares this can be considered by the Credit Committee (on behalf of the Board) and approval given where appropriate.

The Credit Committee also keeps loan policy and interest rates under review and recommends changes to the Board.

Types and conditions of loans

All loans are subject to a maximum amount of £15,000. The Credit Committee may approve loans without security up to a maximum of three years. The Board may grant loans with longer repayment periods for up to 5 years where security is provided.

Savers Loans

The applicant must have been a member of NCU for at least three months and must have demonstrated a regular savings pattern.

Savers Loans are charged an interest rate of 1.5% per month and are up to £5,000 and up to 3 years duration.

First loans will be restricted to the lesser of 3 x savings or £1000 + shares.

Members who have successfully repaid their first loan have saved regularly for over nine months are eligible to borrow up to three times the amount of shares.

Abnormal savings pattern, with large deposits made prior to an application for a loan may not 'qualify' for savings for the purposes of calculating how much a member can apply to borrow. The repayment history of previous loans will also be considered.

Members can apply to re-finance "top up" loans within the permitted ratio of shares to loan. A history of repeated top-ups, inconsistent repayments or recent share withdrawals may lead to refusal by credit committee. Regular, ongoing savings should preferably accompany repayments. Top ups to such loans are not normally allowed until 6 months of regular repayments have been received and will be for a minimum amount of £100.

For Saver Loans being repaid from Child Benefit and where a top-up is requested where repayments are over and above the level of Child Benefit being received, the top-up will need approval by a Credit Committee member.

Secured Loans

Secured Loans are charged at 0.75% per month and can be up to 3 years duration.

The applicant must have shares that are greater than the amount to be loaned and must maintain this coverage of shares plus interest charged throughout the duration of the loan.

Large Loan

Large Loans are loans in excess of £5000 which are charged an interest rate of 1% per month and are up to 3 years duration.

These will only be considered for members who have a regular payment pattern and will be subject to a detailed risk assessment using, for example, interviews, credit checking and Open Banking.

Family Loans

Family Loans are charged at an interest rate of 3% per month. Initial loans are up to £500 (up to 1 year duration) and once a £500 loan has been paid off in full up to £1,000 (up to 2 years duration). Family loans may be topped up only when the outstanding Loan Balance is less than half of the current loan.

These can be awarded to members who have their Child Benefit paid direct from HMRC to NCU and they do not need a savings history with NCU. The loan is paid immediately after the first Child Benefit payment has been received in the NCU bank account, so there is no qualifying period of membership. Any amount received in excess of the loan repayment will be added to the value of shares and are available for withdrawal. Loan applicants will be interviewed and required to contact HMRC to arrange for the full Child Benefit payments to be made directly to NCU.

The affordability of the loan should be discussed with the member as the loan repayments will mean a reduced level of their regular Child Benefit and this may cause difficulties for some members.

Family Loans should normally only be paid by Child Benefit payments, but NCU will allow lump sum repayments. However, any application for a new loan or a top up loan within 3 months of the lump sum payment will be at the discretion of the Credit Committee. Members can request to increase their repayments from Child Benefit allowances to repay the loan more quickly.

This category includes loans granted to new members who can secure their repayment by paying PIP, Pension Credits or Young Person's Carers Allowance into their account. These Loans will be subject to the members paying their benefit direct to NCU and for the first payment to be received before the loan is paid. The loan can be up to £1,000, interest rate 3%, with a maximum term of 2 years.

Helping Hands Loans

These are reserved for active members (who have made at least 2 regular transactions) faced with an emergency and have no other way of dealing with it. These loans are not intended to help with ongoing living expenses but are for an unforeseen issue that a one-off loan will deal with.

A loan of up to £250 can be granted or up to £300 if this is paid to a supplier of goods and services rather than the member. Helping Hands loans are charged interest at 0.5% per month and are for a maximum period of 1 year. Only 1 Helping Hands loan will be granted to a member. However, where the original loan was for less than £250, then, in exceptional circumstances, a top-up to £250 will be allowed. Helping Hand loans are approved by Credit Committee members and other staff as agreed by the Operations group.

Multiple Loans

These are permitted where the member is able to demonstrate that the repayments are affordable.

Other considerations

- Two members with the same address who request loans at the same time will warrant further consideration.
- Members over 80 at the point they apply for a loan can only apply for Secured Loans.

Documentation

Loan applications can only be approved when the Loan Agreement, which specifies the Attached Shares, has been signed by the member via Rsign or in person and witnessed. Loan Agreements will be stored on the member's SERCLE file.

Loan Protection Insurance.
NCU is a member of the Association of British Credit Unions Limited (ABCUL) and has taken out a Loan Protection Insurance policy under the CUNA Mutual Credit Union Bond Scheme.
Eligibility
All members of NCU who are over 18 and under 80 are covered under this policy, subject to the exclusions below.
The Loan Agreement sets out the insurance conditions. By signing the Loan Agreement a member acknowledges acceptance of the insurance terms and conditions and acceptance of the need for the family/beneficiary to submit a copy of the death certificate

to NCU so that the insurance can be claimed.

Sum Insured

In the event of a member's death from any cause, a sum equal to the lesser of £15,000 and the outstanding balance of a loan to the member will be paid off by the insurers, subject to certain exclusions below.

Records

NCU shall keep proper records showing the total shareholding and the outstanding loan balances covered under this policy at all times. NCU shall, at all reasonable times, permit inspection of all books of accounts and other records of NCU by any person duly authorised by the Insurers.

Exclusions

- Loans which exceed five years since the date of grant and loans where there has been no repayment of principal in the preceding six months are excluded from cover.
- If the Member dies within six months of taking out a loan, CUNA may want to investigate the cause of death in more detail. NCU may be asked to contact the family/beneficiary to provide contact details of the GP so that they can assess whether in their view, the death was from a pre-determined condition.
- In the event of a terminal illness known to the member at the time of the loan application, any loan granted to the member during the 6 months prior the member's death will not be covered. Any outstanding loan balance will be recoverable from the member's estate.
- Terminal illness is defined as an advanced or rapidly progressing incurable illness where, in the opinion of an attending Consultant or the Insurer's Chief Medical Officer, the life expectancy is less than 12 months.

Reviewed: March 2025

Next review: September 2025

This section is reviewed every 6 months

5. Money Laundering Prevention

The purpose of this policy is to ensure that Norwich Credit Union (NCU) is not used as a vehicle for financial crime by establishing an effective and robust anti-money laundering strategy.

NCU is aware that it is a criminal offence to fail to comply with the requirements of the Money Laundering Regulations 2007 (MLR 2007) and the regulatory requirements in respect of the detection and prevention of financial crime. NCU complies with the requirements of the MLR 2007 and any subsequent legislation aimed at anti-money laundering or countering terrorist financing.

The Board retains accountability and has appointed one director as a Money Laundering Reporting Officer (MLRO), who has overall responsibility for financial crime. The MLRO is authorised by the Prudential Regulation Authority as an approved person to perform the money laundering reporting function. In the absence of the MLRO, the Board will appoint a deputy. The identity of the MLRO remains confidential from the membership. The MLRO reports quarterly to the Board on NCU's compliance.

The Board shall provide the MLRO with sufficient resources to perform the role including access to know your customer information to enable investigations to be carried out.

The MLRO is required to take all actions necessary to ensure that s/he remains up to date with current findings on anti-money laundering through accessing the findings of the Financial Action Task Force, reviewing the websites of the PRA and FCA and the Joint Money Laundering Steering Group at regular intervals and regularly checking the Bank of England's list of terrorist sanctions, and alerting the Board to weaknesses in systems and potential for remedy.

The MLRO is responsible for receiving internal reports of suspicions of money laundering and making external disclosure reports when necessary to the National Crime Agency. NCU will consider expelling a member from membership if they are suspected of using the credit union as a vehicle to launder money.

The MLRO shall be the lead person in promoting anti-money laundering practices and controls within NCU. The anti-money laundering controls of NCU include:

- Training of all those involved in handling and managing members' transactions;
 - Verification of proof of identity of new members;
 - Maintaining full and detailed Know Your Customer information on members, on a risk basis;
- Maintaining relevant records securely for the full amount of time required by law;
Making suspicious activity reports.

The Board has established an ongoing awareness and training programme which enables all staff and volunteers to be aware of the credit union's anti-money laundering systems and controls relating to opening accounts, record keeping and identifying and reporting suspicious transactions. The training also includes their legal responsibilities for compliance and the consequences of non-compliance. Refresher training is provided within a 24 month period. Non-compliance by staff and volunteers with anti-money laundering systems and controls may result in disciplinary action being taken. The MLRO will ensure that a record is maintained of an individual's training on anti-money laundering.

Know Your Customer information shall be maintained by NCU including, but not limited to, the following information on each individual member:

- Record of the proof of identification obtained and verification steps taken by NCU to comply with the Money Laundering Regulations;
- Date of birth;
- Record of financial transactions with NCU;
- Nomination form (if applicable);
- Receipt of payments from a standing order or direct debit (if any);
- Payroll deductions direct from an employer (if any);
- Payment of benefits direct into NCU (if any).

A copy of all proof of identification taken, or an accurate record of reference numbers, and steps taken to verify identity shall be retained in the member's personal file for up to five years after the account has been closed.

A record detailing each transaction for every member shall be retained.

Records of transactions shall be maintained for five years after the transaction has taken place. The MLRO shall securely maintain a record of internal reports of suspicions of money laundering within NCU, and external reports made to NCA. These records shall include a record of the MLRO's investigation and decision as to whether or not to make an external disclosure report to NCA. Records of Suspicious Activity Reports (SARs) made to NCA shall also be kept. These records shall be kept for at least five years after the record was created or in the case of an ongoing investigation by NCA, until NCA has closed the investigation.

Members' accounts shall be regularly monitored in order to identify any unusual activities: i.e. an unexplained pattern of deposits and withdrawals which appear to be out of character for that account and which, on further investigation, may provide grounds for suspicion.

Staff and volunteers who suspect that money laundering is taking place should report the suspicion direct to the MLRO by taking the following actions:

1. Write a brief memo addressed to the MLRO, or complete standard Suspicious Activity
2. Reporting form, or speak to the MLRO
3. The written record should include:
4. Name, address and membership number of the member under suspicion
5. Details of the transaction – including date and amount – that has prompted the suspicion
6. Grounds for the suspicion
7. Name and contact details of the person reporting the suspicion

A report to the MLRO should not be disclosed or discussed with any other official, volunteer or member of NCU. The MLRO may wish to discuss the report further with the person reporting their suspicions. In this case, the MLRO will contact the individual and make discreet arrangements for a confidential meeting to be held.

At no time should an individual suspected of money laundering be approached to discuss the suspicions aroused as this may give rise to “tipping off” a suspect. “Tipping off” is a crime that can be punished with a prison sentence and / or fine.

The MLRO shall have full read-only access to all computer records, as well as confidential access to individual members' files as may from time to time be required in order to obtain further information which will inform their decision as to whether or not to make a full disclo-

sure report to NCA.

On receipt of a suspicious activity report, the MLRO shall review the member's account to identify trends on a member's use of their account. Once the MLRO has gained a deeper understanding of the member's financial circumstances, the nature and level of their transactions with NCU and the purpose for which they use NCU, then he/she should record their decision as to whether a suspicious transaction has occurred that should be reported to NCA. This record shall be retained for five years from the date on which it was created.

The MLRO can make Suspicious Activity Reports (SARs) direct to NCA online at www.nationalcrimeagency.gov.uk

Or SARs can be made using the form, by post to: National Crime Agency
PO Box 8000
London SE11 5EN

Updated: September 2024

Next Review: April 2025

6. Complaints Handling Policy & Procedure

NB See Appendix for complaint handling flowchart

The policy of NCU is that any complaints are handled fairly, effectively and promptly, and are resolved at the earliest opportunity. The Complaints Handling Policy & Procedure, is available on the website or on request.

Initial member contact

We aim to respond to all member contact made - by letter, telephone, email or in person - within 1 working day. On occasion this may not be possible eg for more complex investigations or where we need to contact a third party such as a bank. In such situations we will provide an indication of when we will be in a position to respond.

Where it is clear that the person making contact is dissatisfied then, in our initial response, we will explain that if they are unhappy with the response, then they can request that the matter is escalated to become a formal complaint.

Complaints Procedure [Rules 157-159].

Where a member does require the matter to be treated as a formal complaint then a copy of our Complaints Handling Policy & Procedure is sent to the member. The member is also supplied with a copy of *'Your complaint and the ombudsman'*. Staff are made aware of the relevant Policy & Procedure and know what to do in the event of a complaint.

Where possible complaints will be resolved within 1 working day of the complaint being received. A form to enable a complaint to be made is available should the complainant wish. The process is then concluded by sending a 'summary resolution communication', using the Financial Ombudsman Service guidance as set out in DISP 1.5.6G.

If a complaint is made by someone who is not a member, potential member, former member (adult & juvenile), guarantor, nominated beneficiary or representative of the aforementioned, or does not relate to a matter regulated by the FCA, it will be responded to but the time limits, record keeping, reporting & co-operation with the Ombudsman do not apply.

Responding to complaints

- A written acknowledgement will be sent saying who will be handling the complaint and enclosing the Complaints Handling Policy & Procedure and we will tell the member when we expect to be able to respond.
- The complaint will be logged, passed to the Complaints Handling Officer and progress recorded.
- It is anticipated that a member of the Operations Group will respond to complaints to ensure a swift response.
- A member of staff previously involved will not respond to complaints.
- Complaints will be reported and discussed at the following Board of Directors meeting.
- All complaints will be investigated carefully and if there is evidence that the problem is systemic, procedures will be put in place to prevent its reoccurrence.
- Written or verbal responses will adequately address the subject matter and, where a complaint is upheld, offer appropriate redress.
- Redress can mean a written apology but if compensation is appropriate NCU will make a fair offer and seek the agreement of the complainant.

Within 8 weeks NCU will send a final response. (If this is not possible NCU will send a letter explaining why there is a delay and informing the complainant that s/he may refer to the Financial Ombudsman Service (FOS) if they are dissatisfied with the delay and enclose the FOS explanatory leaflet.)

The final response must inform the complainant that s/he may refer the FOS if dissatisfied, within six months. The FOS explanatory leaflet must be enclosed.

The complaint is closed when the complainant positively indicates acceptance of NCU's response or does not respond to NCU within eight weeks of the final response.

Reporting requirements

Any complaint, where the member is financially impacted and not resolved by the end of the next working day after receipt, will be reported on the FCA annual complaints return in accordance with rules in CREDS 9.

All complaints will be logged and marked as appropriate as follows:-

- resolved by end of the next working day after receipt
- resolved within 8 weeks of receipt
- resolved after 8 weeks of receipt

Where the complaint is service related then an RFC (Recommendation following Complaint) is raised.

Financial Ombudsman Service

NCU will co-operate fully with the FOS including producing requested documents, adhering to time limits, attending hearings and complying promptly with settlements or rewards.

Records

NCU will report annually to the FCA on the total number of complaints where the member is financially impacted and received between 1st April and 31st March the previous year. NCU will keep records of any complaints for a minimum of 3 years including the name of the complainant, the substance of the complaint, any correspondence between NCU and the complainant and details of any redress offered.

Reviewed: June 2024

Next review: May 2025

7. Arrears Management & Provisioning

It is the responsibility of the Board to pursue any delinquent loans that arise. The Loan Recovery Officer presents a summary Delinquency Report at the monthly Board Meeting. The main principles followed in the management of arrears are that:

- members in arrears are followed up as speedily as possible, with the initial contact usually informal (by phone or e-mail) and in the nature of a reminder.
- if there is a need for re-scheduling, this will be carried out before they are 13 weeks in arrears with the member advised accordingly.
- the Board endeavours in all cases to assist the member to repay the loan rather than seek legal action or other forms of recovery.

The process, as agreed by the Board, which we will endeavour to follow depending on the circumstances, is as follows:

- a supportive reminder will be sent to any member who has not set up their loan or top-up according to their agreement or who misses the previous month's repayment (or two repayments in the case of weekly payers)
- if there is no response (payment or explanation) within 14 days, a sequence of three letters has been approved by the Board, with the second and third letters including the inserts on arrears and default as required by the FCA. These are followed up by phone or e-mail if deemed necessary
- the second letter will offer further contact to discuss problems with payment. The Loan Recovery team can instigate a share to loan transfer, re-scheduling of the loan and/or freezing interest for a fixed period. This last option will require Credit Committee approval where appropriate'.
- in some cases, the Board will action a transfer of all shares and will agree a small fixed payment, for an indefinite period, to enable the capital to be repaid
- the third letter sets out further possible consequence, such as potential Court action, the use of a Debt Collection Agency (which involves costs to the member of at least 35% of their outstanding debt) or referral to the DWP for deductions direct from benefit, if appropriate. Every attempt is made to interview members in this situation before passing their debt outside NCU
- NCU keeps in regular contact with delinquent members until agreed repayment is resumed and the member's account is then monitored monthly until the arrears are eliminated
- if the loan has a Guarantor, the Guarantor will be alerted after 2 months of delinquency and if there is no payment from the member within a further 2 months, the Guarantor may be asked to make payments – at the discretion of the Board.

In accordance with the PRA source book 3.10, 3.11 and 3.12, NCU makes minimum provision of 35% for unsecured, delinquent loans (net of related members' share balances) over 3 months in arrears, 60% for unsecured, net delinquent loans over 6 months in arrears, 80% for unsecured net delinquent loans over 9 months in arrears and 100% for unsecured, net delinquent loans over a year in arrears. Currently, 2% of all other unsecured, net loans is retained as general provision for management accounts purposes to cover specific provisions on loans not yet in arrears (and not included within manual provisions), with a full detailed calculation to be carried out at year ends. The need for this will be kept under review and NCU reserves the option to take up any modified provisioning by the FCA.

8. Liquidity management

NCU must hold liquid assets of an amount and composition that is prudent and appropriate to the scale and nature of its business, having regard to material risks, including the risk of a sudden adverse cash flow, with a view to enabling it to meet its objectives.

Under the PRA Rulebook (rule 9.2), NCU must at all times hold liquid assets of a value equal to at least 10% of its total relevant liabilities. NCU must notify the PRA immediately if its liquid assets are below 10% of its total relevant liabilities for more than two consecutive business days.

NCU will hold, at all times, liquid assets of at least 20% of members' unattached share balances. The treasurer will monitor compliance on a quarterly basis and report to the Board. The treasurer will propose investment of surplus funds in institutions and for terms that s/he considers appropriate to NCU's circumstances. All such proposals must be submitted to the Board for approval.

Reviewed: June 2024

Next review: June 2025

9. Reserves & Dividend

Under the PRA Rulebook (rule 8.2), NCU's capital is defined to comprise:

- audited reserves
- interim net profits
- deferred shares
- subordinated debt meeting the requirements detailed in 8.2
- revaluation reserves

NCU is required (PRA rule 8.5(1)), to establish and maintain a capital-to-total assets ratio of at least 3%. The minimum transfer to the general reserve each year is 20% of that year's surplus, until the general reserve reaches 10% of total assets.

Under Rules 72 and 74 the Board may at the AGM recommend a dividend to be paid to all members as at the date of the AGM. Any surplus after a transfer to the general reserve may also be used in any of the ways set out in Rule 71 (including for social, cultural or charitable purposes if a dividend or rebate of loan interest has been declared).

The Board recognise that it is desirable to achieve the capital requirements introduced by the PRA and to maintain reserves of 10% of total assets. Transfers to the general reserve over and above the minimum 20% of each year's surplus will be a balanced between the operational needs of NCU and members' expectations of dividends.

Reviewed: July 2024

Next review: July 2025

10. Data Protection

Data Protection

NCU will notify the Information Commissioner of data held under the GDPR and the Data Protection Act 2018 and renew notification as required.

Individuals have the right to:

- Be informed, upon request, of information held about them, as soon as possible, while being aware of the 28 day maximum.
- Prevent their data being used for direct marketing without their consent – NCU will not give their data to another organisation without their consent.
- Remove or correct any incorrect data held about them.

Information will be:

- Obtained fairly & lawfully
- Held only for the specific lawful purposes
- Relevant, adequate and not excessive for those purposes
- Accurate and kept up to date
- Not kept for longer than necessary

Our Privacy Notice detailing how we handle the personal information we hold is available on our website. The Notice explains how individuals may exercise their rights under the legislation and, if dissatisfied, how a complaint can be made to the Information Commissioner.

Understanding of data protection principles and their application to NCU practices will be covered both in the induction programme for staff and in subsequent training for specific roles. All new staff will sign a confidentiality agreement.

Adequate security precautions are in place to prevent loss destruction or unauthorised disclosure of the data, as detailed below:

- All computers are password protected
- Members' paper files are kept in a lockable cabinet
- The office used by the NCU is kept locked
- e-mail discussion involving members and their accounts loan requests etc. will only use members' account numbers, never their name, possible initials.

IT Systems

The Board will oversee IT activity.

All our computing is now held in the 'cloud' by Xenace Ltd, Colchester CO4 9AD. NCU has access via remote desktop services which are encrypted. The data is backed up on a regular basis, at least daily. As a result of moving our services to Xenace no data is kept on NCU computers.

The database is SERCLE, which is a SQL database system provided by Serdle. Each user has to have a password which has to be changed every 60 days. There are 99 possible levels of access which can be defined by NCU.

Reviewed: July 2024

Next review: July 2025

11. Training & Succession Policy

Staff Recruitment

- All staff including Board members, Supervisory, Compliance and Credit Committee members, will be required to be approved by the Board.
- All staff will be required to complete a Confidentiality Agreement and Information form.
- References will be required from all staff on previous experience and character.
- In the very rare event that a new staff member cannot provide a reference then an appropriate member of the Board will be asked to interview them to ensure their suitability, decide on the nature of the tasks to be undertaken and report back to the Board.

Staff Training

- NCU will endeavour at all times to appoint Training Coordinators, with responsibility for arranging training.
- Initial training will introduce staff to the basic legislation relating to Data Protection, Health and Safety and Equalities and will explore how this impacts on roles and procedures.
- Each area of work will have a checklist that will be completed by both the staff member and the trainer for that area to ensure that they are competent and confident to proceed.
- Detailed instructions on the relevant procedures will be produced and kept up to date, together with a contact list, so that help is available for staff at all times.
- Training will primarily be done in house, rather than through external courses.
- The Board will assess attendance by staff at conferences and regional meetings on an individual basis, basing their decision on cost and relevance.

Succession

- It is vital that staff should give as much notice as possible when leaving. This should be pointed out during training. Staff employed by contract will be required to give notice as arranged in their contract.
- The Training Coordinator should inform the Board when any staff leave and if there has been any problem filling their role. Replacements will be sought by expanding the role of existing staff or by recruitment.
- For the Board and committees. Replacements can be co-opted in the short-term, to be subject to elections at the following AGM.
- The Board will endeavour to avoid relying on a single staff member to fill a key role

Reviewed: September 2024

Next review: September 2025

12. Whistleblowing Policy

NCU is committed to conducting our business to the highest standards of honesty and integrity. However, all organisations run the risk that things will go wrong from time to time. A culture of openness is essential to ensure that any issues are addressed should they occur.

Any member of staff should follow this approach to raise any concern with any NCU Board Member directly. This may be done either in person or in writing. The Board Member may be able to resolve the issue quickly and effectively. If required, the Board member may raise the matter with NCU's President to discuss the best way to resolve any problem including raising it in a Board meeting. In all circumstances staff may raise their concern directly with the President either in person or in writing.

Once a concern has been raised a meeting will be arranged by the President to discuss the concern. If the concern is with regard to the President then the Vice President will convene the meeting. NCU will make every effort to keep the identity of the whistleblower confidential where they do not wish to be identified.

All concerns in writing should be addressed to
The President/ (or Board Member)
Norwich Credit Union
26 Pottergate
Norwich
NR2 1DX

Reviewed: October 2023

Next review: October 2024

13. Equal Opportunities Policy

NCU endeavours to treat all members, staff and other contacts with respect and to act fairly. This policy will be implemented in particular when dealing with applications for membership or loans, access to services, employment & training or opportunity to stand for election to the Board.

NCU will not discriminate against any individual on the basis of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation. In these respects NCU will meet the requirements of current legislation.

Induction of new staff will explain the importance of adhering to this policy.

NCU's office provides sufficient access for most visitors with disabilities but wheelchair access is limited for larger wheelchairs.

Where members believe that discrimination has occurred, they should make their claim in writing to the President of the Board of Directors and a response will be made as per the Complaints policy in this manual. A nominated Board member will investigate and act on any issues involving staff who are required to play their part in ensuring an environment of mutual respect.

Reviewed: October 2023

Next review: November 2024

14. Health & Safety

It is the NCU's policy (in conjunction with its landlords) to provide and maintain safe and healthy working conditions, equipment and procedures for all staff and visitors and to provide such information and training as they need for this purpose.

An effective health and safety policy requires the full collaboration and co-operation of management and all staff who are required to read this policy and accept their own personal responsibility for health and safety at work.

Company's responsibilities:

It is the duty of management to:

- provide and maintain procedures and safe systems of work
- provide a safe working environment by maintaining all places of work in a safe condition
- consult with and involve employees in matters relating to their own health and safety
- identify hazards and conduct formal risk assessment, where appropriate, to minimize risk
- ensure that control measures and emergency procedures are in place, effective and properly used, monitored and maintained
- provide information, instruction, training and supervision
- comply with all relevant legislation and authoritative guidance
- monitor safety performance and compliance

Recognising that NCU has service points operating from a number of premises, the Board will satisfy itself that all such premises provide a safe working environment and are covered by proper H&S procedures.

Your responsibilities:

All staff have a duty in law to act responsibly and to take reasonable care for the health and safety at work for themselves and their colleagues. This duty can be carried out by:

- working safely and complying with all health and safety requirements
- seeking guidance if there is a belief that any working practice is unsafe
- reporting and sharing information about emergencies, accidents and near miss incidents

Pandemics

Pandemic Risk Assessments are carried out to supplement this policy and to ensure safe working practices and continuity of service

Unreasonable behaviour

We treat all customers with courtesy and respect and expect our staff to be treated in the same way.

Some examples of unreasonable behaviour are:

- use of threats, verbal abuse, racist or sexist language, derogatory remarks, or other offensive terms and unsubstantiated allegations

- refusing to accept our procedures by demanding to only communicate with certain senior members of staff
- contacting different members of staff or making repeated requests with the motive of receiving a different response to what has been stated
- persistently contacting us on matters which are either outside our remit or over which we have no control

If we consider your behaviour unreasonable, you will be:

- told why we consider it unreasonable
- asked to change it
- told what action will be taken if you do not change your behaviour

If your unreasonable behaviour continues, we will take action to manage contact with us. This may include:

- not responding to your correspondence
- blocking electronic communication
- terminating abusive or offensive phone calls
- asking you to contact a named member of staff only
- restricting telephone contact to specified days and times only
- restricting all contact to written form only
- restricting the issues we will correspond on
- declining communication on a specific matter
- reading and filing correspondence without a response, unless it provides new information or evidence on the matter.
- asking that contact is through an independent third party, such as Citizens Advice Bureau, legal representative or conveyancer

If you have a disability or mental health issue, we will consider whether your unreasonable behaviour relates to those issues and assess the potential impact of restrictions imposed by us.

If you are dissatisfied with the way that your access has been limited, you should use our complaints procedure to explain this.

Lone Working

To ensure staff safety, where only 1 member of staff is working in the Pottergate Office, then we will not answer the door to any visitors nor open the shutters.

Reviewed: December 2023

Next review: October 2024

15. Internal Audit: Supervisory Committee

The Supervisor/Supervisory Committee will operate in accordance with Rules number 129-131 and follow the requirements set out in CREDS – the FCA Credit Unions Source Book, sections 2.2.40 – 2.2.50, as appropriate for scale of operations of NCU.

All references to Supervisory Committee are interchangeable with Supervisor if there is only one person fulfilling this function for NCU.

The Supervisory Committee will meet at least quarterly and will report to the Board of Directors on both the work carried out in the previous quarter and the programme for the next quarter. They will examine the adherence to and effectiveness of internal systems and controls, procedures and policies, using relevant documentation or interviews with staff, or members. Training will be provided as necessary.

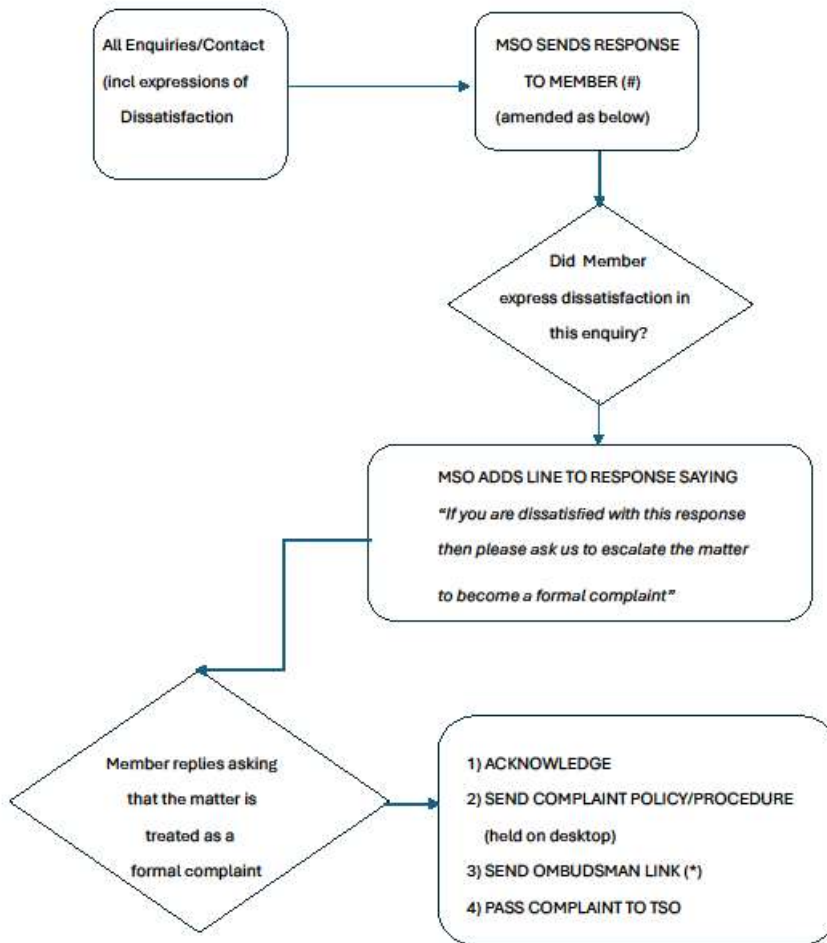
At the AGM the Supervisory Committee will report to members (in writing) reflecting the work carried out during the financial year to check that all systems and controls have been properly carried out as required by the FCA and the PRA.

If the Supervisory Committee require outside assistance in fulfilling their duties, then Board approval will be sought for any necessary expenditure proposed.

Reviewed: December 2023

Next review: November 2024

COMPLAINTS FLOWCHART



(*) <https://www.financial-ombudsman.org.uk/businesses/resolving-complaint/ordering-leaflet/leaflet>

(#) with the assistance of TSO if required