



Credit Union

Loans & Savings made simple

How we've grown and moved forward to better help the people we serve

Annual Review 2016/2017



Find out more at:
www.planesavercu.co.uk
or call: 0208 607 5020
or follow us:  



2016/2017 at a glance:



1,859 new members including 1,241 Armed Forces personnel.



£7,950,000 in loans allocated last year, helping our members with affordable lending.



12,000+ members in total, strengthening our position as one of the most successful credit unions in the UK.



£39,000,000 in total savings, helping our members prepare for the future.



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'I had a few credit cards that were affecting my credit rating. I was able to clear them using a loan from Plane Saver.'

Plane Saver Member
Emergency Loan

We are owned by and run for our members, rather than external shareholders. This means, as a member, you get a share of the profit at the end of the year.

'The loan from Plane Saver helped me realise my dream of having my own glider.'

Plane Saver Member
Generic Loan

Message from the President



I am pleased to present our annual report for the year ended 30 September 2017. This year there have been a significant number of changes within the credit union. What has not changed, however, is the unique ability of this credit union to continue to adapt to an environment that remains challenging due to changes in legislation and regulation in a manner that reflects our qualities and experience.

Firstly, I wish to convey my thanks to all our members in advance of this year's Annual General Meeting (AGM) for your continued valued support.

The year 2016/2017 has been a challenging one from a financial, regulatory and operational perspective due to many factors. Plane Saver has had to face increasing regulatory mechanisms (due to its size) for reporting to the Prudential Regulatory Authority and the Financial Conduct Authority, together with low interest rates caused by the global recession and the United Kingdom's vote to leave the European Union.

Plane Saver has continued to perform well in the sector and we are one of the largest credit unions in the UK.

We have a range of savings and loan products, which are very competitive with those of the other market providers, and we are closely monitoring feedback from our members to constantly improve our quality of service.

I have seen a huge improvement in staff morale and productivity, which is due to our CEO, Valerie Walwyn. I pass on my sincere thanks to Valerie on behalf of the board and wish her continued success.

On behalf of the board I wish to convey thanks to Steven Cunningham of Alexander Sloan for his continued professional and invaluable advice in our internal audit process for regulatory compliance. He represents you, the members, by reporting to the Supervisory Committee as an independent auditor to ensure that the board as well as the staff are working according to our policies and procedures.

We are fortunate to have many unsung members who we call our 'champions' and who support Plane Saver in their places of work by promoting the credit union. On behalf of the board and all the staff, we thank you for your continued endeavours.

A big thank you to all the staff for their hard work in continuing to provide a valuable service and ensuring that you, our members, are at the forefront of everything we do as a credit union.

Thanks to my fellow board members, who bring their exceptional professionalism and expertise and give up their valuable time voluntarily to ensure that Plane Saver is strategically managed.

We have a very active and diverse Board of Directors, who contribute individually and collectively in all decisions made by the board.

Please keep spreading the name of Plane Saver and credit unions as a whole to family, friends and colleagues whenever possible to grow the sector and increase the penetration within the UK.

Ian Atkins
President
Plane Saver Credit Union



We constantly review our products and processes to meet our members' needs in the changing financial climate.

'Plane Saver provides an easy way for me to save for Christmas. As it comes straight from my pay I don't even miss it.'

Plane Saver Member
Christmas Savings

Message from the Chief Executive



Recently, Mark Carney from the Bank of England gave a clear indication that interest rates would rise as early as November 2017. This will place increasing pressure on households and individuals who are already in debt.¹ Since the banking crisis, household finances have been squeezed ever more tightly by rising inflation, decreasing benefits and increasing taxes. More recently, following last year's Brexit vote, they have been affected by the drop in the value of the pound, making it weaker. Many of our members, old and new, are looking for effective ways to manage their monthly income. Many are consolidating their current borrowing to reduce their monthly outgoings or taking a short-term loan to cope with unexpected costs. To help our members, we constantly review our products and processes to meet their needs in the changing financial climate.

At the same time, our regulators are urging us to prepare our business and our members for what may lie ahead. To do this, we have improved our loan-assessment (underwriting) process so we make the right lending decisions for our members and for our business.

Strengthening the regulations for the financial services industry is having a direct impact on the credit union sector and the banking industry. To help us meet these requirements, we have introduced a new compliance officer role to the business. Kenivea Gravilliers ensures that we operate in line with the regulatory frameworks that govern how a credit union of this size is run. Kenivea also makes sure that we manage risks within the business (posed by our processes, people and systems) and give our employees the training they need to follow the rules laid down by our regulators.

I am delighted to report that this year, Plane Saver Credit Union was awarded five stars by the Fair Banking Foundation² for our loan products. The Fair Banking Foundation also published a report on the benefits of saving while you borrow.³ This report provides clear evidence of the benefits of saving while you are borrowing, especially when savings and loan repayments are made direct from payroll departments.

Over this year, as a member you should have seen some improvements on how you can access your accounts and your general experience of our online services. In April 2017 we launched our app, and it has been well received by those who have used it.

Our customer service team have also been working hard to make sure we can provide better responses to your enquiries and learn more about what our members need.

Now to the year ahead. We have already made a good start on achieving our overall objective to grow by around 30% across many of our business areas. To achieve this, we need to review much of our technology and refine some of our internal processes. This will help us to keep up with today's digital world and continue to meet the demands and expectations of our members and other stakeholders. Our aim is to work smarter and use our resources more efficiently.

In 2018 some significant changes will be made to the data protection regulations,⁴ which will affect how we handle your information. We are already busy preparing for changes under the new General Data Protection Regulation, which is due to come into force on 28 May 2018. We will make sure that your information continues to be handled safely and that it is not shared without your permission.

The Plane Saver ethos remains the same and you can be assured that the way we do business is based on sound financial decision making for members and the business.

I am very proud of the professional and friendly team here at Plane Saver. We are all committed to remaining one of the UK's leading credit unions that provides an excellent service to its members and stakeholders.

Valerie Walwyn MSc
CEO
Plane Saver Credit Union
November 2017

¹William Schomberg (2017), 'UK households feel biggest squeeze in three years as potential interest rates hike makes it worse', *Independent*, 18 September, <http://www.independent.co.uk/news/business/news/uk-households-income-interest-rates-rise-bank-england-mortgages-worse-squeeze-bills-a7952431.html>

²The Fair Banking Foundation, <http://fairbanking.org.uk/>

³The Fair Banking Foundation (2017), *Save as you borrow: Credit unions creating good habits*, [Report] <http://fairbanking.org.uk/wp-content/uploads/2017/02/Save-While-You-Borrow-web-1540217.pdf>

⁴Information Commissioner's Office (2017), *Data protection reform*, <https://ico.org.uk/for-organisations/data-protection-reform/>

Highlights and Key Statistics

Since 1993 Plane Saver has been building a community that helps to provide an ethical way of saving and borrowing for our members, aiming to support them in making sound financial decisions.

We remain passionate about our philosophy of ‘people helping people’ and now serve more than 12,000 members, working alongside some of the world’s leading airlines and, more recently, the British Armed Forces.

Now more than ever, organisations are fast recognising the benefit of a credit union facility for their employees, as they continually look to improve the financial well-being of their workforce.

This year saw United Airlines welcomed as a new payroll partner, offering Plane Saver as part of their employee rewards and benefits programme. We also reached a significant milestone of 1,000 members joining from the British Armed Forces, who now represent over 13% of our total membership.

We are looking at things differently.

You may have noticed that there have been a number of changes to the credit union in recent years, particularly to how we operate as a business.

Plane Saver has had to continually adapt to significant regulatory change. This is something that has had an impact on all financial institutions as a result of the global financial crisis.

This means that we have had to change the way we work, particularly in terms of how we lend to our members. This has presented us with challenges in balancing our credit union philosophy and tradition with the need to adapt to the changing regulatory environment.

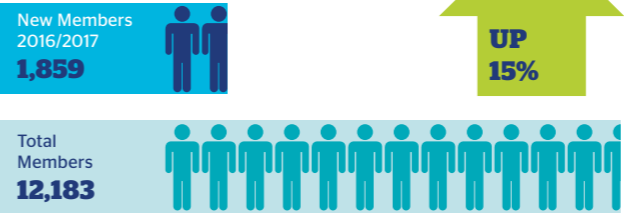
Keeping mobile.

Despite these challenges, we continue to listen to your feedback on how we can improve our service and experience for our members. We recently introduced a new online account management system and a mobile app, making it easier than ever for our members to manage their money.

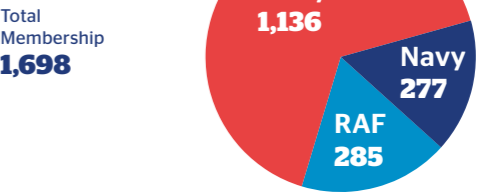
You will also be seeing more membership surveys in the year ahead as we look to keep improving your experience as a customer. These surveys will allow you, as a member, to give feedback to help us develop products and services that will improve your financial well-being and better serve your needs.

“Plane Saver enabled me to get a new gas boiler and so transform my heating system at home with a very competitive loan.”
Plane Saver Member
Generic Loan

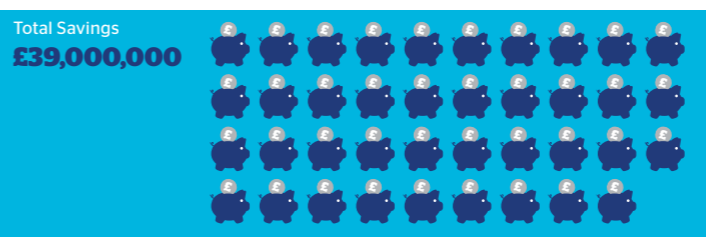
Membership



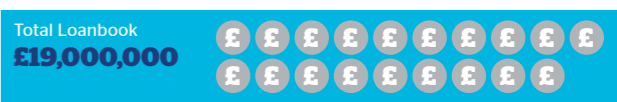
Armed Forces Key Stats



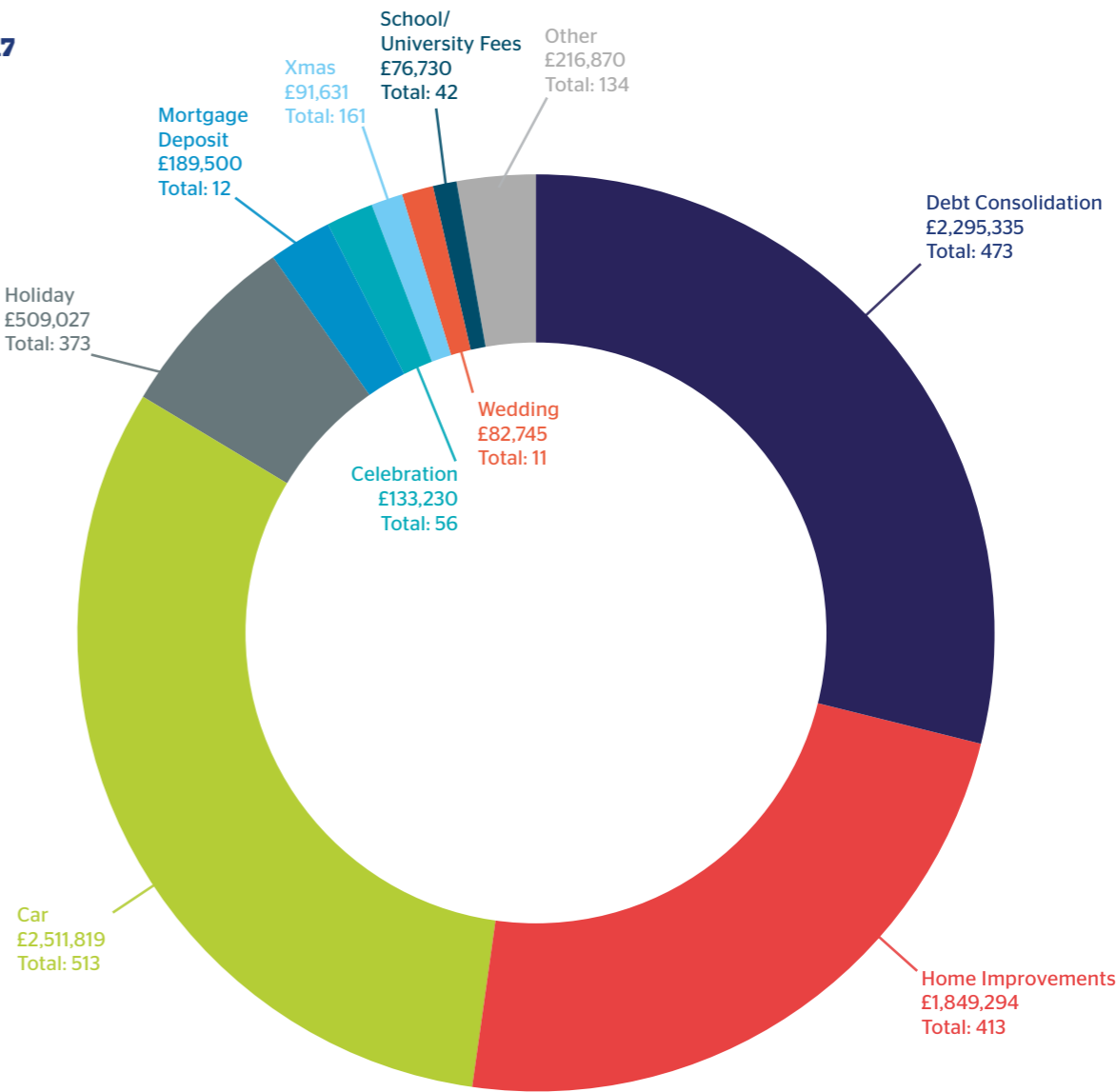
Savings



Loans



Lending 2016/2017





Case Study: **Helping a member fast-track his deposit and get his first home**

We were recently approached by James, a British Airways employee who found himself struggling to get on to the property ladder due to the large deposit which was required.

Having saved a considerable amount already, James's goal of a 10% deposit seemed a distant dream, as house prices were rising at a faster rate than he could save. He approached us to see if we could help fast-track his mortgage deposit.

James was delighted to share his story with fellow Plane Saver members. 'I needed a loan to help gain the required deposit for an apartment that I was interested in buying. My bank was unable to help and I was getting anxious at the thought of losing the property. I then thought of Plane Saver.

'Not only is it an affordable loan, but I can also pay off my loan as there are no early-repayment penalties. With the payments taken straight from my pay, it is easy to budget.'



Case Study: **Helping taxi drivers get back on the road**

We were recently approached by David, a taxi driver who was looking to purchase a new black taxi. After approaching his trade union, he was recommended to contact Plane Saver.

After David applied for a personal loan with us, we were able to assess his application and lend to him responsibly, enabling him to get back on the road and purchase a taxi.

David said, 'The whole process was easy – once approved, the money was in my account within hours at a very competitive rate. Thanks, Plane Saver, for your friendly and professional service.'

'The whole process was easy – once approved, the money was in my account within hours.'

Plane Saver Member
Taxi Loan



Case Study: **Helping a serviceman and his family get back on track financially**

We were recently approached by William, a serviceman who found himself in difficulty as a result of the financial crisis in 2008. In the years that passed, life became extremely difficult for him financially, especially considering that he was maintaining a family of four.

When William sought help from other financial providers, he found that due to the nature of his role, which involves moving constantly, access to financial services was limited. This left him a potential target for high-cost credit providers, such as payday lenders and loan sharks.

In the years that followed, he became aware of the new credit union service for the Armed Forces. He approached Plane Saver to consolidate an existing loan and was amazed at the competitive rates. He went on to take out the loan, which he now pays back through an affordable monthly repayment straight from his salary.

William was grateful for the service, explaining: 'It's wonderful to have a credit union for the Armed Forces. Plane Saver understand the needs and constraints of service life and do their best to help where they can.'



Case Study: **Helping a serviceman save £254 on monthly loan repayments**

We were recently approached by a serviceman who found himself in a spiral of debt, with a series of high-interest credit card and payday loans costing him over £555 a month at an average interest rate of 244% APR.

We were able to lend to the serviceman responsibly, consolidating his existing debt into one manageable repayment taken straight from his pay. We paid off all his existing borrowing, leaving the member with a new monthly repayment of £301 at a more favourable interest rate. This meant he could get back on track with his finances.

The serviceman said: 'Plane Saver guided me into making better financial decisions. This has made me more aware of how expensive some loans can be. Seeking help from the credit union helped me nearly halve my outgoings on debt. Thank you, Plane Saver.'

Plane Saver Board and CEO



Ian Atkins President

Ian is a founder member of Plane Saver and was thus involved even before the credit union's inception in May 1993. Over the years he has served in numerous positions on the Plane Saver board, including that of treasurer, vice president and then president.

At the outset, Ian was one of those who put in time as a volunteer dealing with general office tasks to ensure the day-to-day running of the operation as it got off the ground. With his wife, Barbara, Ian has been a committed foster carer for some fifteen years and specialises in dealing with those most difficult cases often shunned by the less experienced.

Ian is also on the Supervisory Committee of the Association of British Credit Unions (ABCUL) as well as the London South East Credit Union Forum.

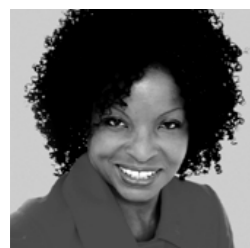


Valerie Walwyn CEO, Plane Saver Credit Union

Valerie has over 30 years' experience of working across the private, public and voluntary sectors in roles where she is primarily developing and driving the business forward or leading the organisation through change or transition.

Valerie is a natural leader, with bags of energy and an unstinting commitment to meeting the needs of her various stakeholders. Her work experience is predominantly within the social sector, where she uses her business acumen, common-sense approach to resolving issues, and strong work ethic to achieve the business objectives.

Her extensive experience and strong social ethos are underpinned with a master's degree (MSc) in business management from the University of Birmingham and various qualifications in leadership, teaching, counselling and coaching. Valerie has been approved by the Prudential Regulation Authority under the Senior Managers Regime as fit and proper to hold the position of CEO of Plane Saver with delegated authority to run the day-to-day business. She is a member of the Chartered Banking Institute and a founder member of the Centre for Community Finance Europe. Valerie is a well-respected member of the ABCUL and works closely with ABCUL and her peers on the ongoing development of the credit union sector.



Joy Maitland Vice President

Joy Maitland is a leadership development and organisational excellence consultant, with a wealth of senior-level business experience and a track record of injecting teams and organisations with vision, passion and energy, helping to improve performance by identifying and developing talent at all levels. As an executive coach, she works with senior and mid-level managers on critical development needs to accelerate leadership, designs and implements dynamic leadership development solutions, and advises on broader operational activities.

Joy has worked with numerous world-leading brands, including Cable & Wireless, 3M, Sony, RBS and Credit Lyonnais. Inemmo was launched in 2005 following her role as group director operations within the FTSE 250 firm Taylor Nelson Sofres.

Joy is a member of the Institute of Consulting and the Association of Corporate Governance Practitioners. She holds fellowships with the Institute of Directors, the Institute of Leadership & Management, the Chartered Management Institute and the Institute of Training and Occupational Learning.



Dave Sharman Acting Treasurer

Dave moved to the UK in 2013 and since then he has worked at British Airways in a number of financial-management roles – most recently leading British Airways' overseas finance department.

Dave is a chartered member of Chartered Accountants Australia & New Zealand, and first become involved in the credit union movement while running the audits of a number of New Zealand-based credit unions. He is excited to be involved in the governance of Plane Saver and the opportunities the organisation has to further build on its service offering to members.



June Parsons Board Member

June worked for British Airways since 1980 in a variety of roles in finance, sales, marketing, distribution, learning and development, recruitment and engineering before moving to her current role as a talent transition consultant, managing and supporting a team of up to 100 colleagues.

During her career June has contributed to large project teams managing major change, such as the cutover to a new reservations system, plus managed projects ranging from partnering with City and Guilds to provide accredited courses for up to 65,000 travel agents, corporate events, management/leadership workshops, professional/volume recruitment and on-boarding to engineering compliance.

In her spare time June enjoys volunteering, travelling and choral singing, serving as the chair of her choir.

Since joining the board June has led recruitment campaigns, joined the Risk Committee and recently been elected to chair the Nominations Committee. She is passionate about serving the community and is looking forward to working with the other board members to ensure Plane Saver continues to grow and prosper for its members.

June is an Associate member of the Chartered Institute of Personnel and Development and has an MBA from Lancaster Business School.



Nick Donovan Board Member

Currently a campaign director at Global Witness, an anti-corruption organisation, Nick was previously assistant director at the Royal British Legion where, along with others, he campaigned for the establishment of an Armed Forces credit union.

Nick also sat on the Royal British Legion's Risk Committee, which monitored risks through the active management of a risk register. Previously, he worked for five years at the Prime Minister's Strategy Unit and, during his military service, served in Iraq in a Royal Engineers bomb-disposal team.

He has an MA from Warwick University and a BA degree from Leeds University.



Roger Hardman Board Member

Roger joined the Plane Saver board in September 2016. Roger brings a wealth of experience with regard to welfare within the Armed Forces. He is currently head of welfare at SSAFA, the Armed Forces Charity.

'I have saved with Plane Saver for many years. Over time I was able to save a deposit for a house.'
Plane Saver Member
Help to Buy

Treasurer's Report

Dave Sharman
Acting Treasurer

I'd like to thank Valerie and her team for their hard work this year.

Having reviewed our 2017 results and projections for the year ahead, the Board of Directors are pleased to recommend a dividend of 1.0% on Regular, Christmas and Junior Savings accounts, in line with last year's dividend.

Looking to the year ahead, the key financial challenge for Plane Saver is to continue to build on its recent gains in loans performance – to offer products that members value and to be the first choice for more members' lending needs.

Some key points from the 2017 results are as follows:

- **Interest income** was down by £283,335, from £2,573,229 in 2016 to £2,289,874 in 2017. This was due to lower average interest rates on loans (2017: 11.1%; 2016: 12.4%) as Plane Saver responded to the overall competitive environment, as well as an average loan book that was 7% lower in value than it was in the previous year (2017 average loan book value: £18.9 million, 2016 average loan book value: £20.3 million).
- The reduction in average loan book value was driven by weaker lending performance in 2016 and the early part of 2017, when new lending was not enough to replace loans repaid. This trend reversed in the later part of 2017, where an increased focus on targeted loan products, marketing and more efficient loans assessment saw the team achieve record loans issued and beat their lending target for the year, whilst maintaining Plane Saver's focus on responsible lending. The impact of this improved loan performance should be seen more clearly in next year's results.
- **Dividends** were down by £261,310, from £617,667 in 2016 to £356,357 in 2017. This expense includes the dividend on Regular, Christmas and Junior Savings accounts approved at the December 2016 AGM, as well as interest on Platinum and ISA accounts – all of which were awarded a return of 1.0%. We also paid £116,166 to our borrowers as a 5% **loan-interest rebate** approved at the December 2016 AGM. In the previous year, dividends and interest were awarded at a higher rate of 2.0%, with no loan-interest rebate.

'Early lending results from the first months of 2018 are promising and I wish the team every success for the rest of the year.'

Dave Sharman
Acting Treasurer

Supervisory Report

Atesh Mayer
Chairman, Supervisory Committee

This year has been an interesting year for the Supervisory Committee, with changes of committee members. We are pleased to announce that Martine Goodrich joined us after 36 years with British Airways Information Technology (IT). However, sadly, Angelo Jayawardena decided to resign due to ill health. We thank him for his years of excellent service, and we will miss his knowledge and experience.

Martine used her experience to review the IT strategy and business continuity plan for Plane Saver during the year. Neither plan had received significant attention for some time and they needed review and investment by the Board of Directors and the CEO. Recommendations for improvement were made; some progress has been made, but more needs to be done in the next year.

The Supervisory Committee team visits Plane Saver on a regular basis to carry out reviews to verify compliance with finance regulations, credit union rules, policies and procedures. In particular, the focus during the year was to review expenses, payments and complaints. We provided regular reports to the board on weaknesses and recommended corrective action to make savings and improve controls.

We are supported in the work we carry out by the internal auditor, who completes detailed audits based on an agreed work programme. This enables recommendations to be actioned to satisfy the relevant financial authorities.

This year saw significant changes in Plane Saver's organisational structure. In particular, our long-standing treasurer resigned following the replacement of the chief financial officer. We welcome the arrival of the new Finance Manager Terry Jackson and Compliance Officer Kenivea Gravilliers. We look forward to working with them to further improve controls within the business.

We would like to thank the board, CEO Valerie Walwyn and all the staff at Plane Saver, including the previous chief financial officer, for the support provided to the Supervisory Committee to enable us to carry out our duties. The staff have a wealth of knowledge and experience.

Many thanks to the whole team for the work carried out over the year. Well done and thanks to all!

Finally, thank you all for coming today to attend the Plane Saver AGM.

'Many thanks to the whole team for the work carried out over the year. Well done and thanks to all!'

Atesh Mayer
Chairman, Supervisory Committee

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