



**Research Paper**

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# **THE IMPLICATIONS OF FINANCIAL SERVICES AGENCY REGULATION OF CREDIT UNIONS**

**Aidan Stennett**

This paper examines the potential implications of Financial Services Agency regulation of credit unions in Northern Ireland with particular reference to existing legislation and the provision of services.

Research Papers are compiled for the benefit of Members of The Assembly and their personal staff. Authors are available to discuss the contents of these papers with Members and their staff but cannot advise members of the general public.

## Executive Summary

The FSA took-over regulation of credit unions in Great Britain on December 1, 2001 introducing a 'compliance-based regime', which placed new obligations on credit unions.

To facilitate the switch-over to FSA regulation the Association of British Credit Unions Limited (ABCUL) found it necessary to help credit unions to understand the nuances of the new regulatory systems and to prepare for the changes to credit union operation the regulatory arrangements would introduce. The ABUCL identified four areas where their assistance was required:

- liquidity requirements of FSA regulation;
- "approved persons" staffing requirement;
- introduction of "Bad Debt" provision;
- launch of new complaint monitoring procedures.

To prepare credit unions for the implications of these four areas the ABUCL ran training courses and produced leaflets.

For the registration of new credit unions, applicants in Great Britain must demonstrate to the satisfaction of the FSA that the statutory conditions set out in section 1 of the Credit Unions Act 1979 will be fulfilled.

FSA regulation of credit unions in Northern Ireland would assume an all or nothing approach - i.e. all NI Credit Unions (or none) transfer to FSA regulation.

Prior to FSA regulation it would be necessary to conduct a consultation process involving all interested parties. A positive outcome from this consultation process would then form the basis on which to move forward in seeking the agreement of the DETI Minister, the Northern Ireland Executive and the HM Treasury.

The following legislative changes would presuppose FSA regulation of Northern Ireland's credit unions:

- Amendment to the Northern Ireland Act - to terminate the exclusion of credit unions from the reservation of financial services matters to Westminster
- Consequential repeal or amendment to the Credit Unions (Northern Ireland) Order 1985
- Amendment to Northern Ireland Credit Union legislation to enable the transfer of key powers to the FSA and to make all necessary consequential amendments to the legislation to take account of the transfer of the main powers to the FSA;
- An Order, under the Financial Services and Markets Act 2000, to "grandfather" all existing societies into the FSA regime;
- It would then be necessary for FSA to prepare an adapted version of CRED to take account of the differences in NI legislation.

FSA regulation would bring with it coverage by the Financial Services Compensation Scheme, this would not invalidated existing share protection schemes but would, according to DETI, make these schemes redundant.

According to the ABCUL FSA regulation had a limited affect on the services provided by credit unions in Great Britain.

The provision of banking services, in particular were enabled by credit unions acting as a conduit to other financial institution and not by FSA regulation. Certain credit unions in Northern Ireland are looking into this approach.

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## **1 Introduction**

The paper addresses issues resulting from the Committee for Enterprise, Trade and Investments consultation with the Irish League of Credit Unions (ILCU) and the Ulster Federation of Credit Unions (UFCU). Specifically the paper examines the following points:

- issues that Financial Services Agency regulation has created for credit unions in Great Britain and these have impacted upon their provision of services;
- the implications regulation by the Financial Services Agency might have for credit unions in Northern Ireland with particular reference paid to the provision of services and the cross-border shareholder protection offered by the ILCU;
- the legislative impact of FSA regulation of Northern Ireland's Credit Unions.

The paper also makes use of contributions from the Association of British Credit Unions Ltd who assisted credit unions in Great Britain during the switch-over to FSA regulation there.

## 2 Background

### 2.1 Financial Service Authority Regulation of Credit Unions in Great Britain<sup>1</sup>

In 1997 the Labour Government decided to make the Bank of England independent and establish a single regulator for the entire financial service industry. Following consultations with the credit union movement, the Government announce in November 1999 that credit unions would also be regulated by the new regulatory organisation.

On December 1, 2001 the regulatory powers of all financial regulators were transferred to the Financial Services Authority (FSA). The FSA took over the previous regulator of credit unions, the Registrar of Friendly Societies responsibility for credit unions, using the existing powers of the Registrar, contained within the Credit Unions Act 1979<sup>2</sup>.

The FSA identifies the following key features of their regulation of credit unions<sup>3</sup>:

- Credit unions have to meet a basic test of solvency. Additional capital requirements are set for larger credit unions, reflecting their potentially greater impact on consumers should they fail;
- Credit unions are required to maintain a minimum liquidity ratio;
- Key personnel running credit unions have to meet the standards set out in the FSA's rules for Approved Persons;
- Senior management of a credit union must take reasonable care to plan, direct, manage and maintain systems and controls as are appropriate to the business of their credit union;
- Credit unions are required to comply with our rules on Money Laundering. These include requirements for appointing a Money Laundering Reporting Officer, Identification of members, training, internal and external reporting;
- Credit unions are required to operate an effective complaints scheme with members having access to the new Financial Ombudsman Service if they are not satisfied with the way their complaint has been handled;
- Credit unions have access to the Financial Services Compensation Scheme providing members with deposit protection for the first time.

The FSA's regulatory regime is contained within the FSA Handbook. A large text outlining the requirements FSA regulation places upon all firms. A separate Specialist Sourcebook, known as CRED, was also developed. This sourcebook contains the specific regulatory instruments applicable to credit unions and also contains reference to relevant sections of the FSA Handbook<sup>4</sup>.

### 2.1 The Implications of FSA regulation for credit unions in Great Britain

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<sup>1</sup> <http://www.abc.ul.org/lib/liDownload/320/The%20Regulator.pdf>

<sup>2</sup> ABCUL training manual - Complying with confidence p. 5

<sup>3</sup> <http://www.fsa.gov.uk/Pages/Library/Communication/PR/2002/002.shtml>

<sup>4</sup> ABCUL training manual - Complying with confidence. 6

FSA regulation introduced a 'Compliance-based regime', which placed new obligations on credit unions. It also brought into existence new monitoring arrangements based upon the analysis of quarterly and annual returns alongside occasional meetings<sup>5</sup>.

To facilitate the switch-over to FSA regulation the Association of British Credit Unions Limited (ABCUL) found it necessary to help credit unions to understand the nuances of the new regulatory systems and to prepare for the changes to credit union operation the regulatory arrangements would introduce.

According to Tina Barnes, who presently works for the Citizens Advice Bureau, but was at the time employed by the ABCUL and was acutely engaged in facilitating the switch-over, there were four specific regulatory changes which, although not "arduous" for credit unions required a degree of preparation<sup>6</sup>. These were the:

- liquidity requirements of FSA regulation;
- "approved persons" staffing requirement;
- introduction of "Bad Debt" provision;
- launch of new complaint monitoring procedures.

In the run up to FSA regulation the ABCUL, in an effort to ensure compliance, ran a number of training courses and produced information leaflets designed to aid the switch-over. The courses and leaflets were part of a wider campaign called 'Complying with Confidence'.

What follows is an outline of what these compliance issues require of credit unions.

## 2.2a Liquidity

Regulation by the FSA introduced a new liquidity ratio, which credit unions were obliged to maintain. The actual formula upon which this calculation is based depends upon whether the credit union is considered to be what is termed version one or version two.

A version one credit union is defined as a credit union:

*... whose Part IV Permission includes a requirement (whether full or for particular purposes) that it must not lend more than £15,000, or such lesser amount as may be specified, in excess of a member's shareholding<sup>7</sup>.*

A version two credit union is defined as a credit union which does not fulfil version one requirements<sup>8</sup>.

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<sup>5</sup> *Ibid*

<sup>6</sup> From Email correspondence with ABCUL Policy Officer Abbie Shelton – 22/10/2007 – 24/10/2007

<sup>7</sup> <http://fsahandbook.info/FSA/html/handbook/CRED/1/1> 1.1.3

<sup>8</sup> <http://www.abc.ul.org/lib/liDownload/321/Version%201%20and%20Version%202%20-%20what%20is%20the%20difference.pdf>

The liquidity calculations for each category of credit union are<sup>9</sup>:

- Version 2: 5% of total relevant liabilities;
- Version 1: 10% of total relevant liabilities. A version one credit union can on occasion 'dip down' to 5%, however, this would only be permitted for a period less than two consecutive quarter ends (i.e. six months).

A credit unions minimum amount of liquidity is worked out using the following formula:

$$\text{Liquidity Ratio} \rightarrow \frac{\text{total liquid assets}}{\text{total relevant liabilities}} \times 100 = \text{at least 5\%}$$

The figure for total assets is calculated by adding together the credit unions cash and bank balances, its investments (releasable within eight days), its unused committed facilities and its unused overdraft.

Total relevant liabilities are calculated by adding together the credit union's unattached shares, its authorised overdraft and other liabilities/borrowings.

Junior funds are not calculated in the liquidity ratio as a separate junior liquidity is also calculated.

The ABCUL provided credit unions with training to fully explain this liquidity requirement as a perception that it would increase costs existed.

## 2.2b Approved Persons

Regulation by the FSA requires credit unions in the UK to ensure their staff/volunteers are approved persons.

Set out in section six of the credit union Specialist Sourcebook, the code of practice for Approved persons outlines seven 'Statements of Principle' which apply to 'approved persons', along with some guiding principles concerning their application.

The seven 'Statements of Principle' are<sup>10</sup>:

1. An approved person must act with integrity in carrying out his controlled function;
2. An approved person must act with due skill, care and diligence in carrying out his controlled function;
3. An approved person must observe proper standards of market conduct in carrying out his controlled functions;

<sup>9</sup> Complying with confidence ABCUL work book, p.61

<sup>10</sup> <http://fsahandbook.info/FSA/html/handbook/CRED/6>



4. An approved person must deal with the FSA and other regulators in an open cooperative way and must disclose appropriately any information of which the FSA would reasonably expect notice;
5. An approved person performing a significant influence function must take reasonable steps to ensure that the business of the firm for which he is responsible in his controlled function is organised so that it can be controlled effectively;
6. An approved person performing a significant influence function must exercise due skill, care and diligence in managing the business of the firm for which he is responsible in his controlled function;
7. An approved person performing a significant influence function must take reasonable steps to ensure that the business of the firm for which he is responsible in his controlled function complies with the regulatory requirements imposed on that business.

When recruiting new staff a credit union must apply for approved status from the FSA. The ABCUL offers the following advice to credit unions regarding application for approved person status:

*The FSA can refuse to grant approved person status. The "fit and proper" test should be borne in mind when considering the recruitment of directors. Can you yourself be reasonably assured of the person's ability, competence and reputation prior to submitting an application for approved person's status to the FSA? Establishing a nominating committee, actively head hunting skilled volunteers, requesting CVs in advance of elections may be helpful<sup>11</sup>.*

According to Ms Barnes, at the time of the switch-over there was some concern from credit unions regarding this process. To quell these fears the ABCUL negotiated with the FSA to ensure that everyone already performing a role would be 'grandfathered' into the new regime and thus eliminating the need for background checks on existing staff<sup>12</sup>.

## 2.2c Bad Debt Provision

Section 10.5 of the credit union Specialist Sourcebook maintains that a credit union must 'make adequate provision for bad or doubtful debt'. The specific requirements of this provision are as follows:

- (1) A credit union must make specific provision in its accounts for bad and doubtful debts of at least the amounts set out below:

*(a) 35% of the net liability of the credit union of borrowers where the amount is more than three months in arrears; and*

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<sup>11</sup> Complying with confidence ABCUL work book, p. 65

<sup>12</sup> From Email correspondence with ABCUL Policy Officer Abbie Shelton – 22/10/2007 – 24/10/2007

*(b) 100% of the net liability to the credit union of borrowers where the amount in more than 12 months in arrears.*

*(2) The net liability of a borrower is the amount of his loan and interest outstanding, less his shareholding.*

The ABCUL add, in their Complying with Confidence training pack:

*.. this is the very lowest amount of provision that a credit union should make for bad debt in order to remain compliant. The minimum requirements can, of course, be exceeded.*

Like liquidity provision credit unions at the time viewed the requirements for bad debt provision as an extra cost, resulting in the preparatory work carried out by the ABCUL.

## 2.2d Complaints Management

FSA regulation required credit unions to ‘... establish, maintain and implement appropriate and effective internal complaint handling procedures (which must be written down) for<sup>13</sup>:

- (1) handling any expression of dissatisfaction whether oral or written, and whether justified or not on behalf of an eligible complainant about that credit union’s provision of, or failure to provide, a financial services activity: and*
- (2) referring to another firm, A, expressions of dissatisfaction about A’s services if the credit union markets (or has marketed) A’s financial services or if the credit union’s financial services are marketed by A.*

The same section of the credit union Specialist Sourcebook (17.2)<sup>14</sup> outlines what the complaints management procedures should provide for:

- receiving complaints;
- responding complaints;
- referring to other firms;
- the appropriate investigation of complaints
- notifying the complainants of their right to go to the Financial Ombudsman Service, where relevant.

The ABCUL advised credit unions within their organisation that introducing a complaints management process:

*... can be a very valuable method of receiving information about the quality and efficiency of a credit*

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<sup>13</sup> <http://fsahandbook.info/FSA/html/handbook/CRED/17/2>

<sup>14</sup> *Ibid*

*union's services – thereby enabling problem areas to be identified and remedied<sup>15</sup>.*

### 2.3 FSA Registration

For the registration of new credit unions, applicants in Great Britain must demonstrate to the satisfaction of the FSA that the statutory conditions set out in section 1 of the Credit Unions Act 1979 will be fulfilled<sup>16</sup>. There are six requirements which must be met, these are as follows<sup>17</sup>:

- That the objects of the society are those, and only those of a credit union;
- That the admission to membership of the society is restricted to individuals all of whom fulfil a specific qualification which is appropriate to a credit union (and that in consequence a 'common bond' exists between members);
- That the rules of the credit union are in a form as agreed by the FSA and provide for all matters required by the legislation;
- That the registered office of the credit union is in Great Britain;
- That a suitable name is chosen for the credit union;
- That the credit union has at least 21 members.

The FSA handbook on credit union regulation highlights another condition which must be met to enable FSA regulation of a specific credit union. Section 13.4.1 b of the credit union handbook states:

*Another condition is that admission to membership of the credit union is restricted to persons who fulfil an appropriate membership qualification and that in consequence a common bond exists amongst the members<sup>18</sup>.*

## 3 **Northern Ireland Credit Unions and FSA regulation**

### 3.1 Legislative Changes

In order to determine what legislative changes would be necessary for Northern Ireland's credit unions to become regulated by the FSA a request for information was made upon the Department of Enterprise, Trade and Investment. The Department in turn consulted with the FSA directly, the results of that consultation were as follows<sup>19</sup>:

- FSA regulation of Northern Ireland's credit unions would assume an all or nothing approach - i.e. all NI Credit Unions (or none) transfer to FSA regulation. FSA consider that it would be virtually unworkable to try and cater

<sup>15</sup> Complying with confidence ABCUL work book, p.36

<sup>16</sup> <http://fsahandbook.info/FSA/print/handbook/CRED/13/4>

<sup>17</sup> <http://fsahandbook.info/FSA/html/handbook/CRED/13/Annex1>

<sup>18</sup> <http://fsahandbook.info/FSA/print/handbook/CRED/13/4>

<sup>19</sup> Information provided by DETI via information request 05/11/07

for a choice - i.e. let some NI Credit Unions opt in to FSA, leaving others still regulated by DETI;

- Initially, there would need to be a consultation process to allow the Credit Union movement and other interested parties to express their views on a change in regulatory body from DETI to FSA;
- A positive outcome from this consultation process would then form the basis on which to move forward in seeking the agreement of the DETI Minister and the Northern Ireland Executive to change what has until now been a transferred matter and the agreement of HM Treasury, in conjunction with the FSA, to accept regulatory responsibility.

In addition to these more general requirements a switch-over to FSA regulation would have the following legislative implications<sup>20</sup>:

- Amendment to the Northern Ireland Act - to terminate the exclusion of credit unions from the reservation of financial services matters to Westminster.
- Consequential repeal or amendment to the Credit Unions (Northern Ireland) Order 1985.
- Amendment to Northern Ireland Credit Union legislation. The GB Credit Union legislation was amended in two ways prior to inclusion of GB credit unions in FSA regulation. This is all set out in The Financial Services and Markets Act 2000 (Mutual Societies) Order 2001. There were two main types of amendment. Firstly the transfer of various key powers from the Registrar of Friendly Societies to HM Treasury. The powers here included powers to prescribe maximum shareholding in a Credit Union and the maximum periods within which loans have to be repaid - see Schedule I Part 1 (Annex2). These were powers which it was considered appropriate for the Government to retain. Secondly, in Schedule 3, Part IV, making all necessary consequential amendments to the legislation to take account of the transfer of the main powers to the FSA - i.e. substituting references to "the Authority" for the former references to the Chief Registrar etc.
- An Order, under the Financial Services and Markets Act 2000, to "grandfather" all existing societies into the FSA regime - thus obviating the need for each Credit Union - and its key officers - to apply for authorisation individually. The main such order was the Financial Services and Markets Act 2000 (Transitional Provisions) (Authorised Persons etc) Order 2001 - SI 2001/2636. Credit Unions were not included within that Order as they were brought into FSA regulation slightly later than most organisations. The relevant Order for GB Credit Unions was the FSMA 2000 (permission and Applications) (Credit Unions etc) Order 2002 - SI 2002/704.
- It would then be necessary for FSA to prepare an adapted version of CRED to take account of the differences in NI legislation.

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<sup>20</sup> *Ibid*

DETI included the following caveat with the information they have provided<sup>21</sup>:

*Because of complex technical nature of the legislative changes, the above can only be a simple outline of the main changes required. Specialist input from experienced legislative staff, including professional advice from DSO would be required to fully map out the various stages necessary to achieve such a change before the process is commenced.*

### 3.2 FSA regulation and Share Protection Scheme Provision

In relation to the question of FSA regulation and Share Protection provision DETI have stated that:

*FSA regulation would automatically bring with it coverage by, and obligation to pay levies to, the Financial Services Compensation Scheme (FSCS). In itself this may not stop existing voluntary schemes, but there would be little practical point in their continuing<sup>22</sup>.*

The FSCS is defined as the ‘...the UK’s statutory fund of last resort for customers of authorised financial services firms’<sup>23</sup>. The FSCS is funded by levies on firms authorised by the FSA. For levying purposes, FSCS business is split into Sub-schemes:

- Accepting Deposits;
- Insurance Business;
- Designated Investments;
- Mortgage Advice and Arranging;
- Insurance Mediation.

Within each sub-scheme there are one or more contribution groups, based upon the fee blocks used by the FSA for allocating its own fees to regulated firms. Firms are allocated to a contribution group (or groups) according to their regulated permissions, i.e. the type of business they are authorised to transact. A firm could be allocated to one or more contribution groups, and therefore Sub-schemes, by virtue of its permitted activities<sup>24</sup>.

It is also worth noting that non-convergence with the FSCS has been cited by the Irish league of credit unions as the reason they are prevented from taking part in child trust fund schemes. On this matter the league have stated:

*Member credit unions in Northern Ireland have been denied authorisation to offer child trust schemes on the basis that the level of*

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<sup>21</sup> *Ibid*

<sup>22</sup> *Ibid*

<sup>23</sup> <http://www.fscs.org.uk/industry/>

<sup>24</sup> <http://www.fscs.org.uk/industry/funding/>

*protection offered by the League's Savings Protection Scheme is not equal to that available under the Financial Services Compensation Scheme although ironically, it is not currently open to credit unions in Northern Ireland to participate in the FSCS<sup>25</sup>.*

### 3.3 FSA Regulation and the Provision of Services

Whereas FSA regulation would introduce new compliance obligations upon credit unions the effect of the new system upon the provision of services by credit unions in Great Britain was limited, according to the ABCUL. The ABUCL have stated that:

*The new regulatory regime coupled with the increased confidence in the sector that this brought about has led to a number of changes but these have not really affected the range of services that credit unions can provide.*

Prior to the introduction of the FSA regulation credit unions in Great Britain were already covered by a Section 11C certificate which enabled larger credit unions to provide a wider range of services to their members.

The certificate, which was introduced in 1999 following recommendations made by the Credit Union Taskforce, was intended to improve individual access to financial services.

### 3.4 The provision of banking services

Article 24, of the Credit Unions (Northern Ireland) Order 1985, prohibits credit unions in Northern Ireland from engaging in the 'business of banking'. The order does not, however, forbid them from providing banking services as such. Consequently, certain credit unions in Northern Ireland have followed their counterparts in Great Britain in offering banking facilities to their members<sup>26</sup>.

In Great Britain a number of credit unions have taken part in a pilot scheme which has seen them extend their operations into the provision of current accounts and associated services, such as ATMs and VISA-linked debit card. The accounts are facilitated and promoted by the individual credit unions with the behind the scenes administration being carried out by high street banks, particularly The Co-operative Bank. The ABUCL have summed up this relationship as follows:

*The new facilities are enabling members to have new ways of accessing their money but the credit union carries on operating under the legislation and the same rules as a credit union. The credit union still deposits its money with a bank and, because the credit union is using the back office services of the co-operative bank, the credit union members gain the extra convenience of using ATM machines to get hold of their money. They are*

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<sup>25</sup> Irish League of Credit Unions: Financial Inclusion Northern Ireland – Briefing Document for a Meeting with the Rt Hon John McFall (Chairman, Treasury Select Committee) on Wednesday, 06 September 2006 p. 17

<sup>26</sup> From Email correspondence with ABCUL Policy Officer Abbie Shelton – 22/10/2007 – 24/10/2007

*using banking services, but the credit union is operating as a conduit into the banking system, rather than as a bank itself.*

Newry Credit Union provides an example of a local credit union that has adopted this 'conduit' approach. According to manager Brendan Jackson, before piloting current services, it was first necessary to gain approval from the Registrar of Credit Unions. After gaining permission from the Registrar the credit union entered an agreement with ABCUL to introduce the scheme they have been piloting in Great Britain.

According to Newry Credit Union "[a] number of credit unions are waiting to see how we get on [in the provision of current account services] before they decide what they are going to do<sup>27</sup>". The current account available to members of Newry Credit Union operates using the back office services of the Co-operative Bank. Other credit unions here are in the process of entering into agreement with the Bank of Ireland to offer similar current account services, Lurgan Credit Union being a case in point. However, the services offered by the Bank of Ireland amount to an ATM card only and do not provide members with the Visa Debit facilities available through the ABCUL/Co-operative Bank scheme.

It should also be noted that the provision of such services results in extra costs for any credit union wishing to avail of them. Newry Credit Union points out that:

*A significant draw back to the ABCUL and Bank of Ireland schemes is the cost attributed with introducing them, i.e. Bank of Ireland is approximately £35,000 while the ABCUL's is £90,000. A lot of smaller credit unions would not have that sort of money to spend<sup>28</sup>.*

This discussion with Newry credit union also highlighted that the offering of :

*ISAs to our members (tax free savings schemes), child trust funds, and insurance products- all these things we are prohibited from offering to our members because we are not registered with the Financial Services Authority<sup>29</sup>.*

#### **4 Discussion**

In light of the above, FSA regulation of Northern Ireland's credit unions is likely to have a number of implications, namely;

- the introduction of a compliance based regulatory framework, placing new requirements upon credit unions;
- a degree of preparatory work with credit unions to ease the transition;
- a consultation period involving all interested parties;
- extensive legislative change, including changes to the Northern Ireland Act;

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<sup>27</sup> From Email correspondence with Newry credit union - 31/10/07

<sup>28</sup> *Ibid*

<sup>29</sup> *Ibid*

- increased cost/protection for credit unions through automatic coverage under the FSCS;
- Non-FSA regulation is preventing credit unions from providing certain services.



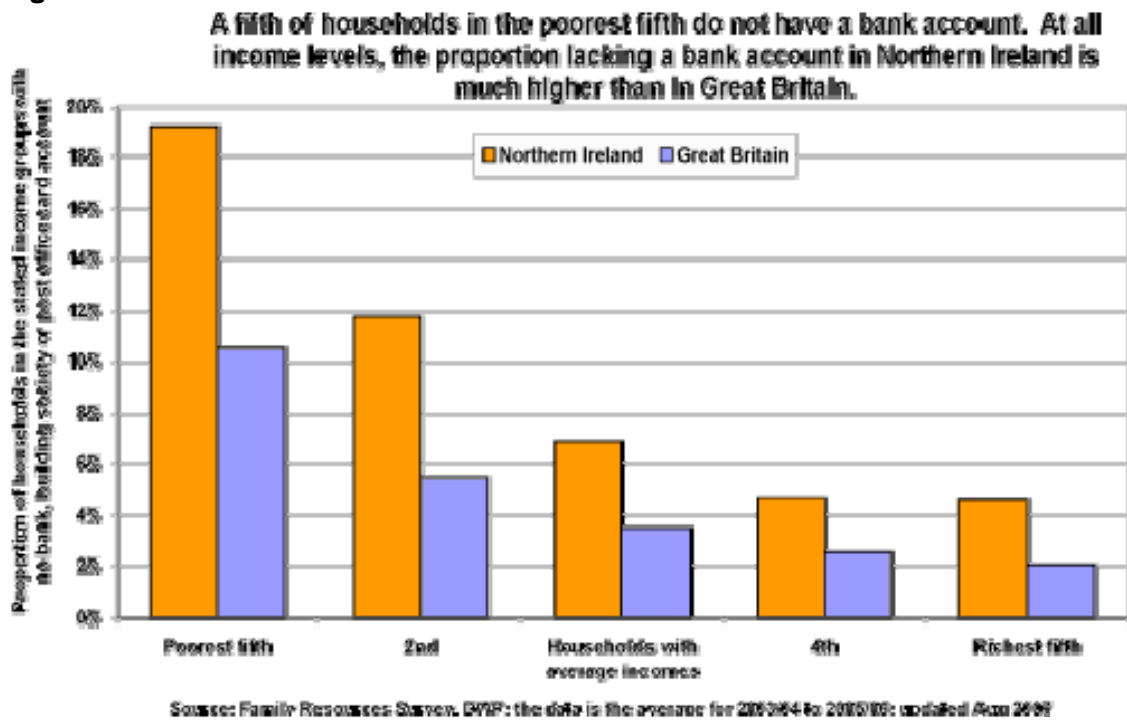
**Annex 1 Households without bank accounts Northern Ireland/Great Britain Comparison**

Figure one highlights the disproportionate number of households in Northern Ireland with out a bank account. The information contained in figure one was gathered by the Department of Work and Pensions. Commenting on the figure, ‘The Poverty Site’, an organisation set up to monitor poverty and social inclusion in the UK stated:

*Lack of a of bank or building society account can mean limited access to credit and so greater financial vulnerability, labour market disadvantage (employers tend to expect to pay wages directly into accounts) and higher prices for basic utilities than those paying by either cheque or direct debit<sup>30</sup>.*

Significantly, the graph includes credit union accounts even though Northern Ireland’s credit unions are forbidden from the taking part in the business of banking.

**Figure 1<sup>31</sup>**



<sup>30</sup> <http://www.poverty.org.uk/144/index.shtml>

<sup>31</sup> *Ibid*

## Annex 2

## PART I

## FUNCTIONS OF THE CHIEF REGISTRAR, ASSISTANT REGISTRAR FOR SCOTLAND, ASSISTANT REGISTRARS AND THE CENTRAL OFFICE

<i>Act</i>	<i>Provision</i>	<i>Function</i>
The Superannuation and other Trust Funds (Validation) Act 1927 c. 41.	Section 8[12]	Making regulations prescribing the qualifications required to be held by an actuary for the purposes of the Act.
The Friendly and Industrial and Provident Societies Act 1968 c. 55.	Section 4(8)[13]	Making regulations substituting any sum or number, and prescribing receipts and payments to be taken into account, for the purposes of section 4(2) of the Act (exemption from obligation to appoint auditor).
	Section 10(1)[14]	Making regulations prescribing maximum rates for remuneration of auditors and reporting accountants.
	Section 13(3)	Making regulations prescribing accounts to be comprised and particulars to be contained in group accounts.
The Friendly Societies Act 1974 c. 46.	Section 31(5)[15]	Making regulations substituting any sum, number or percentage, and prescribing receipts and payments to be taken into account, for the purposes of section 31(2) or (3) of the Act (exemption from obligation to appoint auditor).
	Section 40(1)[16]	Making regulations under section 10 of the Friendly and Industrial and Provident Societies Act 1968 prescribing maximum rates for remuneration of auditors and reporting accountants.
	Section 42(1)	Making regulations specifying class of society or branch for whom application of section 41(1) of the Act is modified (valuation report required every 3 years rather than every 5 years).
	Section 42(2)	Making regulations specifying class of society or branch for whom application of section 41(1) of the Act is modified (valuation report required every 3 years rather than every 5 years in respect of specified class of business).
	Section 47(1)[17]	Prescribing other UK Government securities for the purchase of which, on behalf of its

		members, a society or branch registered under the Act (and also an industrial and provident society, by virtue of section 11 of the Industrial and Provident Societies Act 1965) may set up a fund.
	Section 86(2)	Making regulations specifying requirements to be complied with in procedure for proxy voting.
The Industrial and Provident Societies Act 1975 c. 41.	Section 2	Making an order substituting sum in section 6(1) of the Industrial and Provident Societies Act 1965 (maximum shareholding of a member of an industrial and provident society) and making related provision.
The Industrial and Provident Societies Act 1978 c. 34.	Section 2	Making an order substituting sums in section 7(3) of the Industrial and Provident Societies Act 1965 (limits on taking deposits at one time or from one depositor) and making related provision.
The Credit Unions Act 1979 c. 34.	Section 5(4) <a href="#">[18]</a>	Making an order substituting sum in section 5(3) of the Act (maximum shareholding of a member of a credit union).
	Section 9(4) and (5) <a href="#">[19]</a>	Making an order substituting amount in section 9(1) of the Act (limit on taking deposits from someone too young to be a member of a credit union) and making related provision.
	Section 11(7)	Making an order specifying maximum period within which loan by credit union must be repaid (section 11(4) of the Act) and maximum rate of interest charged (section 11(5) of the Act).
	Section 13(1)	Making an order authorising manner in which surplus funds of credit union may be invested.
	Section 14(4)	Making an order specifying maximum rate of dividend payable on shares of credit union.
	Section 15(3) and (4)	Making regulations prescribing matters mentioned in section 15(2)(a) and (b) of the Act (which relate to requirement to insure against fraud or dishonesty).
The Building Societies Act 1986 c. 53.	Schedule 2A paragraph 3(1) <a href="#">[20]</a>	Making rules prescribing form of receipt for discharge of mortgage under paragraph 1 of the Schedule.
The Social Security Contributions and Benefits Act 1992 c. 4.	Schedule 1 paragraph 11(2)	Making regulations prescribing procedure for making amendments to rules of a registered friendly society in compliance with regulations under paragraph 11(1) of the Schedule (sickness payments). <a href="#">[21]</a>

