



Irish League of Credit Unions

General Election Manifesto



Irish League
of **Credit Unions**

October 2024



Foreword

I am delighted to present the Irish League of Credit Unions General Election manifesto. Since the general election in February 2020, we have witnessed unprecedented change. The economic impacts of COVID 19, the exits of KBC and Ulster Bank, and the wars in Ukraine and the middle east are evident.

Credit unions have remained resilient and provided more than 400,000 loans worth €3 billion last year. We have also provided over €5million in direct supports, grants, bursaries and community funds in 2023.

We have three key manifesto themes:

- 1. Towards a more competitive financial services landscape;**
- 2. Reduce financial fraud and improve financial literacy; and**
- 3. Reduce complexity and enable credit unions to grow**

The Credit Union Consumer Sentiment Index released in September highlights widely varying financial circumstances across the spectrum of Irish consumers at present. Credit unions want to grow and develop and deliver more. This general election comes at a time when competition is urgently required in the hyper-concentrated retail banking market.

Credit unions want to provide more competition and choice. The Central Bank continues to impose crisis era restrictions on mortgage and business lending. These restrictions are prohibiting competition and are not improving consumer choice. Credit unions have grown in these areas slowly and cautiously with prudent policies. We are calling for these limits and restrictions to be removed to allow credit unions to do more for existing and new members.

We have spoken to key credit union stakeholders and believe our asks are realistic and achievable. We are happy to engage with all political parties to see these themes feature in a future programme for Government.

Manifesto Themes

Our manifesto focuses on three themes.

- 1. Under the theme 'Towards a more competitive financial services landscape' our asks are:**
 - Retain the Minister of State with Responsibility for Financial Services, Insurance and Credit Unions.
 - Regulatory limits and restrictions to be more proportionate, reflecting the changed retail banking market to allow credit unions provide more services to members.
 - Assess and discuss elevating the Registry of Credit Unions from Head of Division level to Director level in the Central Bank to enhance its standing and to lead to quicker decision making.
 - Consider moving full responsibility for consumer protection from the Central Bank of Ireland to a better resourced Competition and Consumer Protection Commission. This will require amendments to the Consumer Protection Act 2007.
 - Bring certainty and clarity to the levies payable by credit unions until 2029. Namely, continue the current industry funding levy, rename the 'Credit Institution Resolution Fund' as the 'Credit Union Resolution Fund', setting this to 0% until 2029 as the target has been reached, and then disband and refund the 'Stabilisation Fund' as the reform and consolidation of the sector has transformed the risk profile of the sector.
 - Examine the possibility of credit unions accessing the Central Bank's Overnight Deposit Facility.
 - Amend Section 33AK of the Central Bank Act to allow for data sharing such as prudential returns and fraud rates.
 - Legislate annually with a Miscellaneous Financial Services Bill to bring agility and flexibility to the financial services landscape.



2. Under the theme ‘Reduce financial fraud and improve financial literacy’ our asks are:

- Develop a national fraud database to tackle and share information on fraud.
- Introduce a Personal Public Service Number (PPSN) check on loan enquiries on the Central Credit Register.
- Review and improve strong customer authentication as part of revised Payment Services Directive.
- Rollout and provide sufficient funding to a coherent National Financial Literacy Strategy.

3. Under the theme “Reduce complexity and enable credit unions to grow” our asks are:

- Simplify, modernise and reduce complexity in the Credit Union Act 1997 (as amended) (the Credit Union Act) such as amending s67 of the Credit Union Act.
- Review and assess overlap of Credit Union Act with EU Directives.
- Allow credit unions provide certain state services i.e. paying for driving licenses, selling state bonds etc at credit union locations.
- Assess the appropriateness of the credit union regulatory constraints compared to international peers.
- Assess, consult and legislate for tiered regulation for credit unions.
- Fully implement the recommendations of the 2022 Retail Banking Review – specifically recommendation 11.2 amending the Central Credit Register.
- Explore a credit union only fund financed in conjunction with the Strategic Banking Corporation of Ireland.

About the ILCU

The Irish League of Credit Unions (ILCU) is the largest representative body for credit unions in Ireland. Founded in 1960 with the aim of providing representation, leadership, co-operation, support and development for credit unions in both the Republic of Ireland and Northern Ireland, the ILCU today has an affiliated membership of circa 250 credit unions – over 90% of active credit unions. Membership of the ILCU is open to every credit union on the island of Ireland. Further information can be found at www.creditunion.ie.

Credit Unions in Ireland

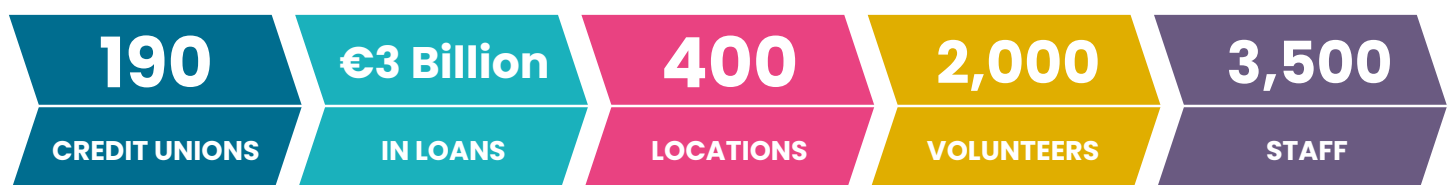
The credit union movement is built on an ethos of mutuality, volunteerism, self-help and not-for-profit philosophy. This can be seen in the significant contribution that credit unions make in empowering the communities they are in, whether through financial inclusion, access to finance, sponsorship of local organisations or donations to charity and community initiatives.

There are approximately 190 credit unions in the Republic of Ireland providing 400,000 loans worth €3billion in 2023. We are the market leader in personal loans and are continuing to grow our mortgage, business, agri lending and current accounts presence. We offer affordable finance across a range of services, often catering for those who would otherwise not be able to borrow from a bank or be forced to turn to other short-term, high-interest lenders.

We have 400 locations, 2,000 volunteers and 3,500 staff providing a best in class physical and digital presence.

Credit unions are renowned for treating their members, with respect, dignity and a can-do attitude. It is an approach that can be described as:

“Digital when you need it, human when you want it”.



Key Contacts



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INTERNATIONAL DEVELOPMENT FOUNDATION

The Irish League of Credit Unions has an International Development Foundation (the Foundation) which plays an important and key role in educating people and assisting in the development of credit union movements internationally by sharing the Irish credit union experience.

Supported by annual donations from Irish credit unions, and institutional donors including Irish Aid, together we are working towards the goal of achieving financial inclusion for all.

Currently the Foundation provides access to the knowledge, expertise and support required to fight poverty and achieve financial inclusion in Ethiopia, The Gambia and Sierra Leone. The Foundation is actively working with central banks in these countries to get support from UN agencies (IFAD) and in 2025 will be expanding its focus into Tanzania and Rwanda.

The Foundation was set up in April 1989 and is registered with the Charities Regulator.

www.ilcufoundation.ie