



**London Capital Credit Union**

the savings & loans co-operative

**When comparing returns on savings it pays to be wary.**

**Things are not always as they seem!**

We pay dividend profit share on instant access savings balances from £1. Our dividend rates on savings may not always match the higher rates of interest promised by our competitors but a quick internet search will come up with some very attractive returns on savings, but they are not always straightforward or easy to compare. Here are a few things to look out for.

The advertised high interest rate online applies:

- if you have your main current account with the bank or building society;
- if you pay in a minimum sum that is often beyond most of us;
- if you consent to restricting access to your savings for a year or more;
- to the first £1,000 or so of savings, and any savings above that sum get little or no interest;
- the advertised rate is not guaranteed and may go down at any time;
- you may not be able to access your savings even in an emergency.

For investors of large sums, income from marginal differences of interest/dividend on savings might be significant, but for most of us the interest rate variances are minimal given the amount most of us can afford to save.

If you are looking to invest larger sums for maximum return the credit union is unlikely to provide the best rates of return, but that is offset by the knowledge that the savings are used to help others in the communities we serve and help them escape from debt and gain the savings habit. Also if you have saved with us it makes our low-cost 'Saver Loans' available if you should ever need them.

Every £1 of savings is a £1 co-operative share in the credit union. We use the terms savings and shares interchangeably to remind our saving members that they own this business. We do not pay interest on savings, but a profit-sharing dividend on savings along with a rebate on any interest paid by borrowing members. Our profits

are reinvested in the business and distributed back to members, and not to offshore tax havens. We never promise a return on savings as it is dependent on profit levels at the end of the year and members need to approve the payment at the AGM.

Our dividend rates may not always match the higher rates of interest promised by our competitors but you can be assured:

- Dividends paid on all account balances from £1 and no hidden restrictions to qualify for payment.
- Any profits of the credit union will be shared with you;
- Your savings provide you with financial security whilst helping others escape loan sharks, payday loans and never-ending credit card debt;
- If you need to borrow then the credit union's Saver Loans are likely to save a lot more money than any interest you may have had on your savings elsewhere.

With no external shareholders, we are driven by our members' interests and not profit maximisation. Our co-operative is dedicated to encouraging everyone to save as a way of avoiding reliance on credit and falling into the debt and poverty trap.