

# PCU Product Guide – Unsecured Loans

August 2024

Version 2



## About PCU

Pollok Credit Union (PCU) is a community-based credit union providing access to savings and loans for people who live or work in the G Postcode area. A credit union is a financial co-operative where the members are the owners. Our Board of Directors is made up of our members and we have an Annual General Meeting at which all our members are invited to attend.

PCU is one of the largest community-based credit unions in Glasgow and provide services from our three branches (Pollok, Maryhill and Possilpark), by telephone and through our mobile app or members area on our website.

PCU is authorised and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). Our Firm Reference Number is 213798.

Our accounts are designed to appeal to all sections of our membership and our friendly and helpful staff are always there to help support our members through their financial journey.

The following guide is to help decide whether a PCU unsecured loan is right for you. This guide is available in electronic format, in paper format or by email.

PCU loans are available to our members and non-members although at the point of applying for a loan non-members would be applying for membership of the credit union.

### Is a PCU Unsecured Loan right for me?

	Yes	No
I am content that PCU, through their partner NESTEgg, will perform a credit search when I am applying for an unsecured loan and that this search will be a hard search which will show on my credit file.	√	
I am content that the rate charged will be reflective of my credit file and my history with PCU.	√	
I am content that my repayment history with the loan will be reported to Transunion monthly and form part of my credit file	√	
Any shares that I have will be unable to be withdrawn until the loan is less than the shares	√	
I am aware that PCU provide a non-contributory insurance on loans but that pre-existing medical conditions are excluded for the first six months. This insurance is provided up to £7,500 This may mean that my estate is asked to cover any shortfall	√	
I am content that by signing my loan agreement that I am authorising PCU to register this at the Books of the Court of Session in the event of non-payment	√	

I am content that PCU have the right to transfer any shares held against the loan on the following basis – interest outstanding then loan principal	√	
I am content that PCU calculates interest daily on loans.	√	
I am content that payment to my bank account on a same day basis will incur a charge of £5 regardless of the value of the loan.	√	
I am content that if I am not in a hurry for my loan I can request a BACS payment for free that will not incur any charge	√	

### Key Elements of a PCU Loan

PCU has several unsecured loan products linked to and separate from shares. For loans that aren't linked to shares, any shares paid in after the loan is granted would be held against the loan until it is repaid.

- PCU are a responsible lender and as such take this seriously. Any applications will assess your 'credit worthiness' and "ability to repay" through using credit searches and reviewing your recent bank statements
- PCU aim to turn around a completed loan application within two working days. This may extend during busy periods.
- PCU do allow loans to be refinanced/topped up but generally we would expect that 30% of the loan has been repaid before being topped up except in exceptional circumstances.
- Members who have been refused a loan will be contacted by telephone to explain the decision
- Members who have been refused will be signposted to alternative support or given information as to how to improve their ability to be accepted should they apply again.
- Loans can be applied for in person or online. Online applications can be done through the member portal or through [apply.pcu.org.uk](http://apply.pcu.org.uk) – Staff can support members through the process subject to resources

### Rates Available

- Interest rates range from 5.12% APR to 42.6% APR.
- PCU from time to time offer special rates on loans. Anyone can apply for these loans but acceptance for these loans at the rate specified would be based on the applicants credit score. It may be that an applicant is offered the amount applied for but at a higher rate reflective of the risk. Should this happen then this the reason would be explained to the applicant.
- Our general rate for unsecured loans is 12.68% for third and subsequent loans and 26.8% for the first two loans.

### Credit Searches

- PCU use NestEgg – a decision making engine – to assist with decisions. Part of this process will include a credit search. (NestEgg use information held by Transunion on the applicant). This will initially be a soft credit search – ‘rate your chances’ and should the member progress to a full application then it will make a hard search. This hard search will stay on the members credit file for two years and will be visible to other lender. The initial soft search will not be visible to other lenders. This search will show as a hard search on an applicant’s credit file.
- The results of the credit search may require PCU to request additional information such as bank statements. PCU use OpenBanking whereby the applicant would grant PCU access to three month of their banking data for each account.

### Loan Agreement and Repayment

- Registered Web Users are able to digitally sign their loan agreement
- Non-web users will need to visit a PCU branch to sign their loan agreement in person
- These agreements are legal documents and can be registered at the Books of the Court of Session and used for further enforcement action.
- PCU reports repayments to Transunion monthly. Late or non-payments will be reflected in your credit file and may affect your score.
- Members who have queries with our reporting can contact PCU or Transunion and raise a dispute.
- Members who have been refused a loan will be contacted by telephone to explain decision
- Members who have been refused to be offered alternative support – if its issue with debts?

### Charging Structure for Electronic Payments

#### PCU Charges – Effective 1<sup>st</sup> March 2022

<b>Item</b>	<b>Charge</b>
Loan BACS Payments (2 to 3 working days)	<b>FREE</b>
Payments to Engage Card	<b>FREE</b>
Cash Loan up to £350 (maximum branch withdrawal per day)	<b>FREE</b>
Loan Faster Payment (any loan)	<b>£5</b>