

1st Anniversary 2010 Stakeholder Newsletter

Welcome to our bumper 1st Anniversary edition of the Moneyline Cymru Newsletter. The newsletter is intended to keep you updated on the latest developments within branches and broader expansion opportunities. If you have any questions regarding the information in this newsletter please contact:

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Anniversary Celebration

Moneyline Cymru celebrated its first anniversary on 3rd November with addresses from Jocelyn Davies AM, Nick Bennett from Community Housing Cymru, Lindsey Kearton from Consumer Focus Wales, Lucia Gillespie from Wales Illegal Money Lending Unit and Nigel Draper, Moneyline Cymru Chair, who explained how Moneyline Cymru is already making a vast improvement to tenants' lives.



The outlets have:

- Completed 2,540 loans
- Opened 1,156 savings accounts for people who have never saved before and who have now saved nearly £33,000
- Saved an estimated debt interest in excess of £1.6m

The event also saw the re launch of a TV campaign to urge tenants not to get bitten by loan sharks. The hard hitting TV advert will run on ITV and S4C and portray the message that borrowing even a small amount of money could mean paying back thousands of pounds in interest.

See photos from the event [here](#).

Pictured: Moneyline Cymru Steering Group and Sub Committee Members and Moneyline Cymru staff. Left – right; Paul Langley CHC, Paul Hillberg Moneyline Cymru, Chris Thomas Bron Afon, Huw Parry Welsh Water, Rob Lynbeck Newport City Homes, Simon Dawson Bron Afon, Bron Lloyd Charter, Nigel Draper Valleys to Coast, Richard McQuillan Hafod Housing Association, Clare Williams CHC, Shayne Hembrow Wales & West HA, Sarah Leyfield Moneyline Cymru, Bart Greere Principality.

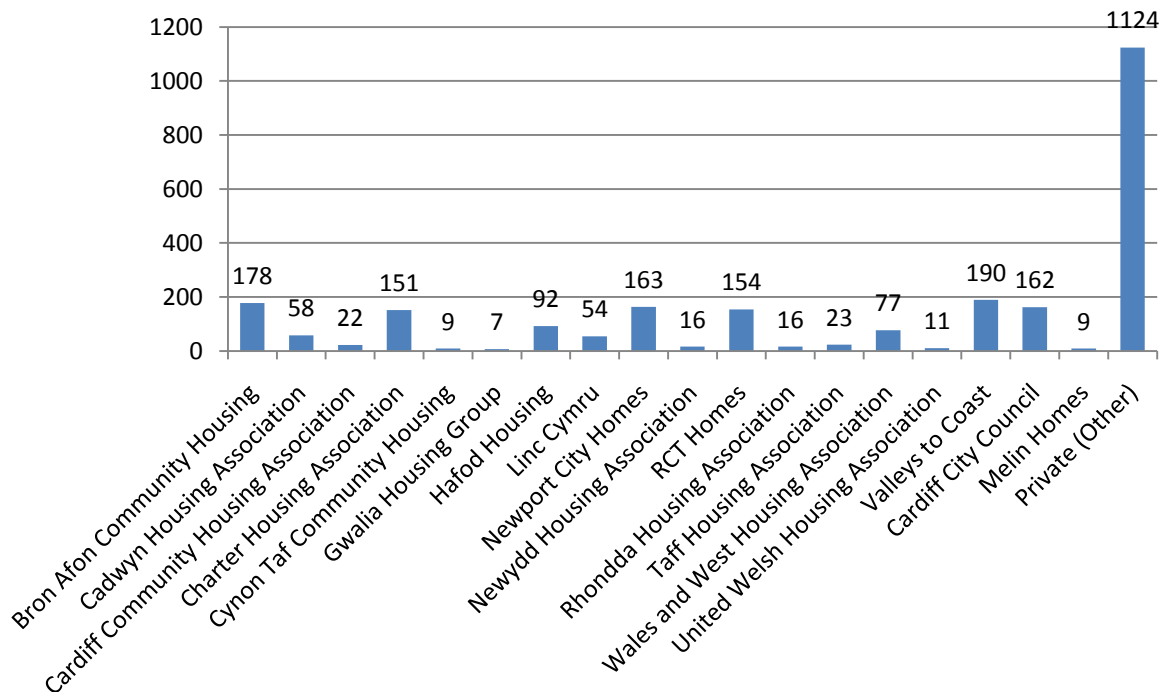
Celebrating 1 Year of Moneyline Cymru

In its 1st year of operation Moneyline Cymru has:

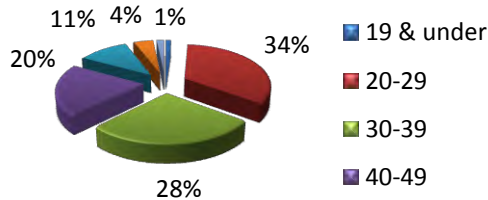
- Provided 2,516 loans
- Loaned a total of £1,161,166.16
- Saved customers over £1,700,000 in interest*
- Opened 1,156 savings accounts
- Helped customers save a total of £32,574.25
- Approved average loans of approximately £450 each
- Approved over 50% of loans the same day
- Won a Housing Heroes Award for Groundbreaking Service Team 2010
- Was shortlisted in the 2010 UK Housing Awards

*The debt interest saving is calculated using a median APR of 39.58% compared to Provident Personal Finance's APR of 272.2%

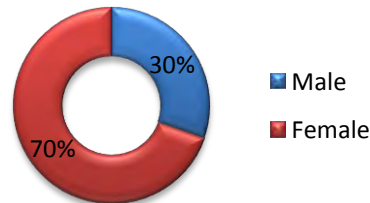
Breakdown of loans by Housing Association



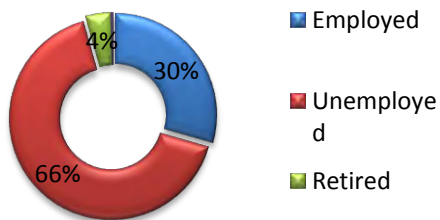
Age Range Combined



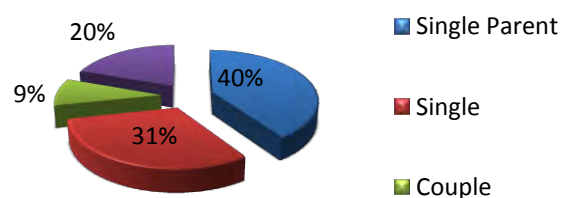
Gender



Employment Status



Household Make Up

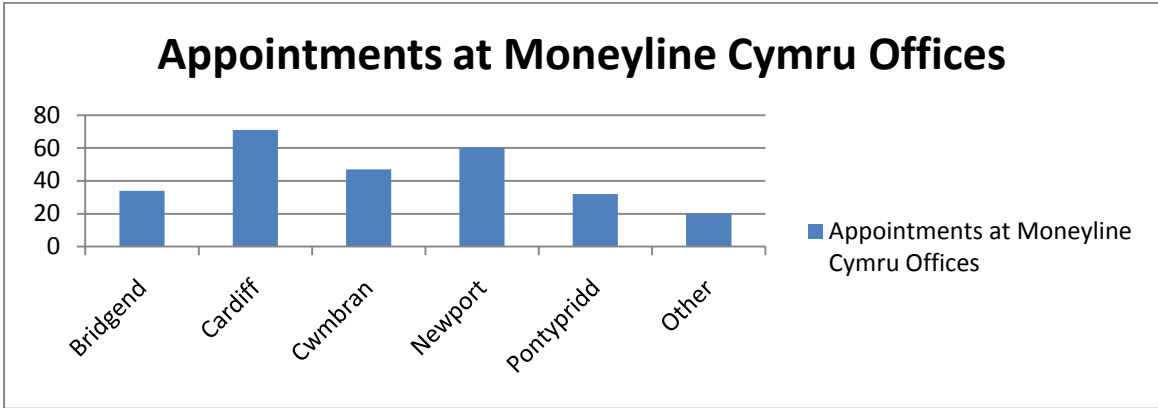


One Year of Money Advice at Moneyline Cymru

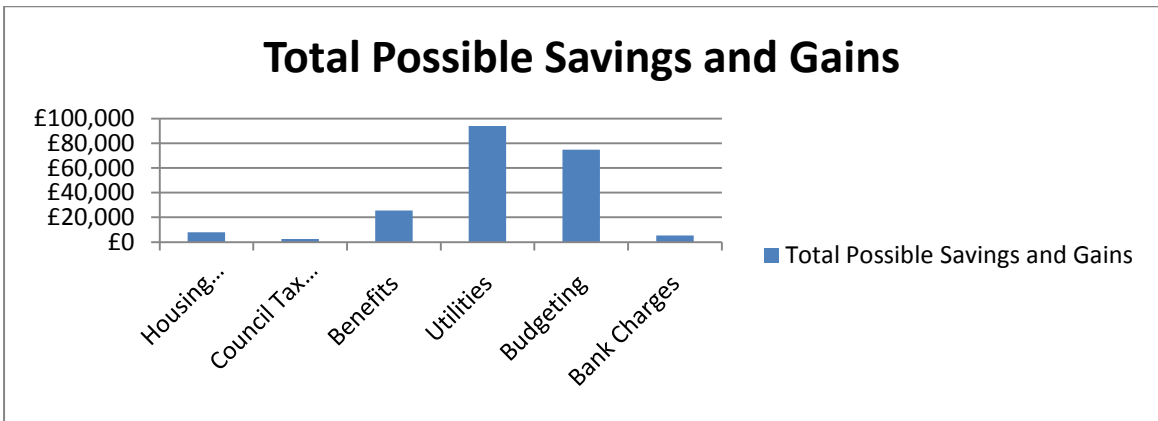
Moneyline Cymru offers Money Advice in each of its outlets. Loan officers make referrals based on loan applications and the information that is revealed in their interviews. Advice and information can be sought on topics such as welfare benefits, debt advice, unsecured and secured loans, utility costs and budgeting.

The number of customers seen has increased month on month. This report concentrates on the 265 customers who have been seen via an appointment basis. The larger offices in the cities of Cardiff and Newport have generated the most number of appointments; this could also be due to their location around heavy foot traffic.

Early in June the Money Advisor visited Milton Court sheltered accommodation with Sarah Leyfield to promote Moneyline services to Newport City Home's tenants. The visit was well received and led to a loan officer and the Money Advisor meeting with several tenants to give advice regarding pension credits, utility tariffs, loans and basic bank accounts. The initial meeting proved that door step lending in sheltered accommodation is occurring at an alarming rate. Similar visits were organised by Charter Housing at Alway Community Centre. These appointments are referred to as other below.

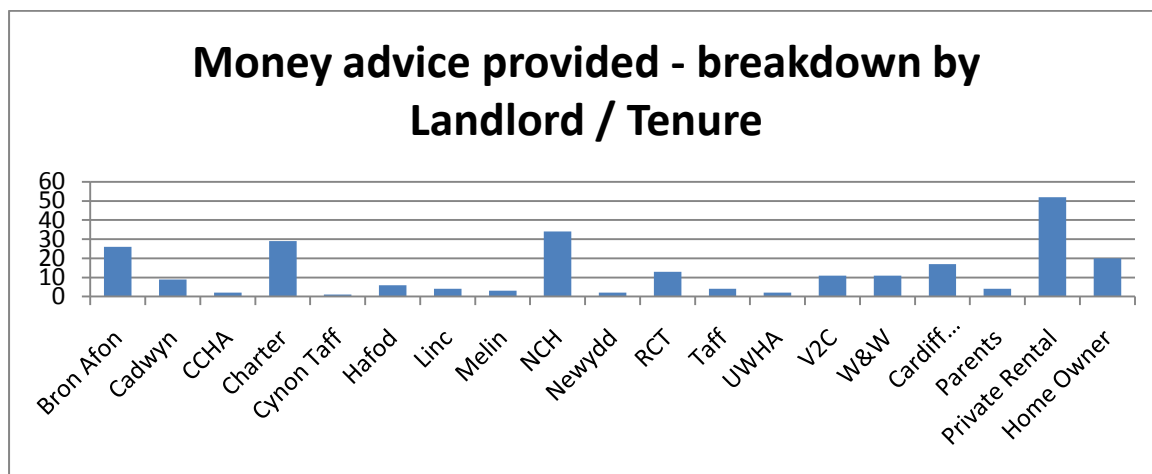


Advice and information given in appointments is based around identifying the capabilities of customers to deal with their own finances. The Money Advisor's job is to empower people and provide them with the tools to help themselves. If customers are identified who do require further help they will be referred out to the relevant agency.

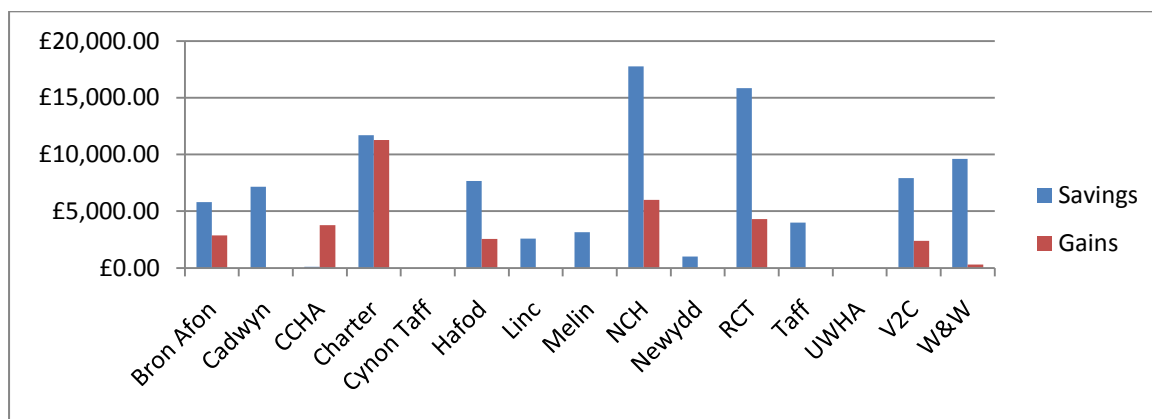


The possible savings on utilities have been huge. This is due to Welsh Waters co-operation in allowing the Money Advisor to sign off applications on their Bill Assistance forms. The fantastic offer allows customers to write off all previous annual debts if they maintain their current bill over the next 12 months and has proved to be a very popular scheme.

Private rented households make up a significant number of customers seeking advice. The forthcoming changes to housing benefit payments could have a serious impact on this group and will therefore place a huge demand on the money advice service.



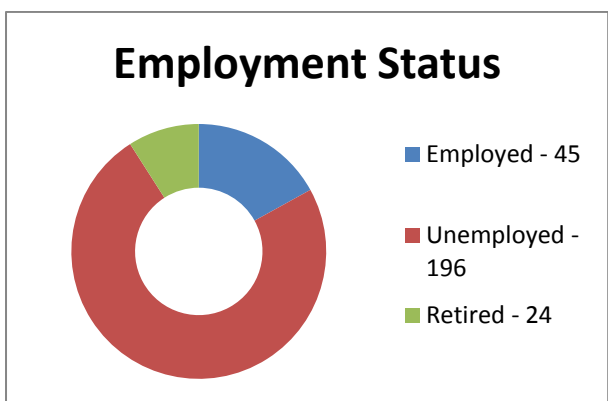
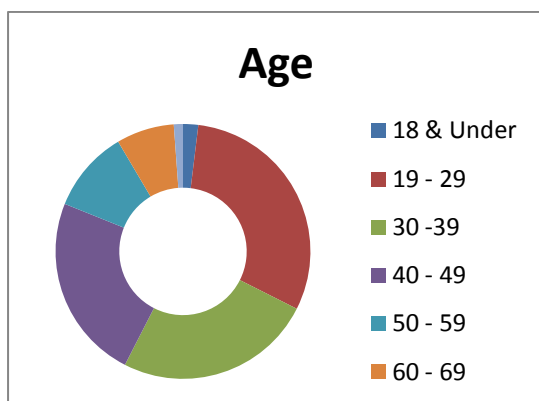
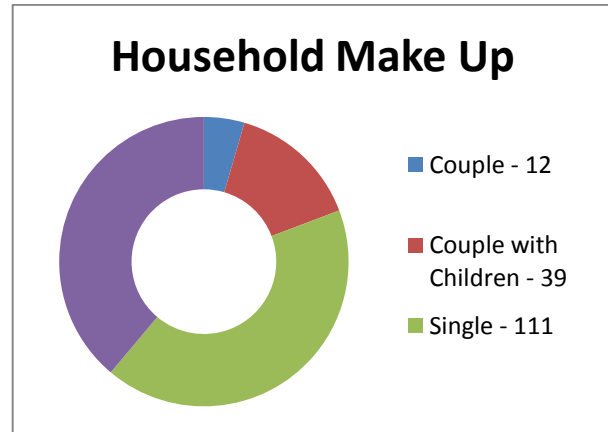
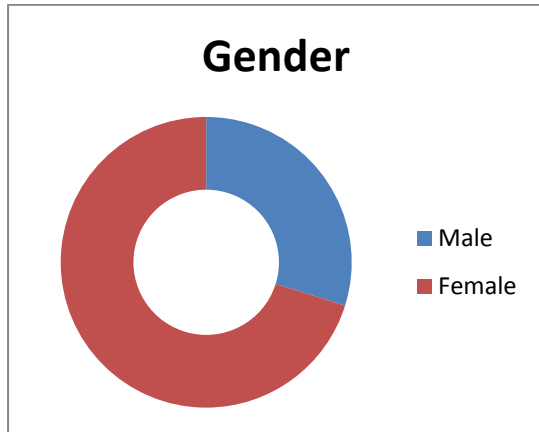
The chart below shows the possible savings and gains each housing association tenant could have made. Savings have come from budgeting, welsh water bill assistance, social energy tariffs and bank charges. Gains refer to the possible welfare benefits, including housing, that have been identified.



Tenants from the 15 RSL's named above have had an appointment with the Money Advisor. However not all the advice given has been able to be put into financial terms so reflecting some appointments with zero savings or gains, this was due to tenants being unwilling to disclose information on their finances but wanting to ask questions regarding options available to them.

The typical customer seeking money advice is a female, single/single parent, unemployed between the age of 20 & 39.

The details below confirm previous research by Community Housing Cymru and reflect the problems facing RSL tenants. The low household income of those who are single means it is easy to fall into a life of debt, many young people struggle to drag themselves away from door step lending once they have started. Many of the customers are young and trying to juggle household debts for the first time – many not understanding the costs involved in being a tenant. The work carried out with Welsh Water and Moneyline Cymru has proved that an increased knowledge of utility tariffs, welfare benefits, loan interest rates, white goods costs and basic bank accounts early in a tenancy can help these young people start their tenancies in the best possible way.



Case Study 1

Miss T, single, 31 year old tenant, approached Moneyline Cymru in December 2009 for a loan. She was referred in January after the loan officer felt she could not afford another loan. Miss T has severe mobility issues and brought her mother to help clarify details. We ran through her budget and found that her expenditure was almost double her income. We set the following plan:

1. Cancel Sky monthly subscription of £18 and buy a satcard for £20 which gives almost identical channels. Saving £196 pa.
2. Change Swalec standard tariff for Gas and Electric to their social tariff, Energy Care Plus. Saving £100 pa.
3. Review her contents and pet insurance for a possible saving.
4. Contact Disability Living Allowance (DLA) department regarding benefit. It had been 8 years since Miss T had applied for DLA and her condition had changed dramatically.

In May Miss T was awarded an extra £115.40 per month. This also enabled her to claim a further £200 through Severe Disability benefit.

Miss T's monthly outgoings were reduced by £25 per month and income increased by £315.40 per month.

Case Study 2

Mr W, 67, disabled, living with his partner and disabled adult son is a HA tenant. Mr W was referred for money advice by a Moneyline Cymru loan officer when they felt he needed a welfare benefit check. Mr W wanted a loan of £500 to allow a carer to come to their property while his partner, went t on holiday with her daughter.

During the process I was able to clarify that both he and his partner were not claiming their full entitlement of benefits. The couple believed they could manage without these, I explained that the increased income would mean they could pay the loan off quicker and possibly save for another trip. The expected increase in income will be £71.40 per week and would allow other benefits to be obtained.

Hi Paul,

Before going on to the reason for the e-mail, both T & I would like to thank you for all your help & assistance today, you put us both completely at ease & made what was a stressful visit (for me) into a relaxed visit with what I hope was a successful outcome. The information you gave me was a great help & more importantly your offer of help filling in forms etc was an immense relief.

I have requested the Attendance Allowance form.

Best regards,

Mr W

Work with housing associations

Newport City Homes visited 11 sheltered schemes throughout the east/west areas of Newport. Tracey from Moneyline Cymru attended 9 of these visits.

We were glad to discover that there was not an issue regarding door step lenders. Most of the tenants we saw did not have any issues with debts/benefits etc but I think that by us seeing them and making our introductions, they appreciated the fact that there is help out there for them (if needed).

Tracey advised the tenants of the services Moneyline Cymru could offer and many attendees seemed interested in the white goods programme rather than having a loan.

The attendance was better in some schemes than in others but that could not be avoided.

Tracey worked well, she got on well with those she saw and I think that overall the visits we made went well.

Sian Jenkins, Financial Inclusion Officer, Newport City Homes

In the last 2 weeks of September I visited all the sheltered housing schemes with Sian and Sumim from the NCH financial exclusion team. After I visited Milton Court in July, and found there was a big problem with doorstep lenders like Provident and Buy As You View, it was decided to visit other sheltered housing in Newport to see if other areas were experiencing the same problems.

It was very pleasing to find that this was an isolated case at Milton Court, and that the scheme managers in the other sheltered accommodation were managing to keep doorstep lenders away from the residents.

I introduced the white goods scheme at all visits as this seemed to be the only thing we could possibly help them with. I explained that we could maybe help with a loan to purchase white goods in the future. I also said that we could also open bank and savings accounts should they be required.

All in all it was a good exercise, and allowed me to meet with the financial exclusion officers to find out a little more about their role, and for them to see what we are able to offer their residents.

I have only 1 call to make after my visit to a resident who would like help to settle some rather large Provident debts which is costing them about £175 a week, as they have been given loan after loan even though this is costing most of their pensions each week. I hope to be able to reduce their debts by consolidating as many of their loans as possible.

I really enjoyed the visits, and hopefully we will have some calls from residents in the future.

Tracey White, Loan Officer, Moneyline Cymru Newport

Katherine Hopkins represented Moneyline Cymru at the Money Advice Day held 21st October at Community House, Fairview, Blackwood, organised by Charter Housing Association.

This is an area where despite many residents have doorstep loans we see relatively few customers in our offices. Katherine met with 5 tenants on the day, opened 3 bank accounts, referred 2 customers for the Welsh Water Assist scheme and agreed 5 potential loans.

Other tenants from the area have since contacted the Cwmbran office & made appointments for loan applications. This is an area that needs Moneyline Cymru as high cost door step lenders are prolific. The residents were keen and interested in the telephony and postal service that will shortly be launched.

Sarah Leyfield. Manager



Working alongside Housing Associations

Moneyline Cymru is playing an active role working closely with RCT Homes financial inclusion strategic partnering group.

Background to the group

Organisations across RCT have come together to provide a collective and co-ordinated approach towards tackling the issues surrounding financial inclusion, issues faced by many of our local communities.

Aims

The main purpose of the strategic partnering group is to research collaborative opportunities with other local organisations and best practice case studies in order to develop a holistic cross agency action plan. The strategic aim of the group is to identify and deliver opportunities that will work towards reducing financial exclusion within RCT.

We will research 5 themes that have been identified in the Welsh Assembly's Financial Inclusion Strategy:

- 1) Access to mainstream financial services
- 2) Providing affordable credit and savings
- 3) Improving access to financial and debit advice
- 4) Increasing financial capability
- 5) Income Maximisation

Managers' Message



The last quarter has seen some exciting developments for Moneyline Cymru, the launch of the telephony and postal service to Pembrokeshire and Carmarthenshire; the number of customers who are keen to open savings accounts; being nominated for the UK Housing Awards and key milestones of 2000 loans and 1000 savings accounts being opened.

The launch of the telephony and postal service to Pembrokeshire and Carmarthenshire will enable rural customers to access to our products and services. At the launch Loans, Savings Account and Bank Accounts will be our key products available. Once piloted, this will enable access to older, disabled and customers who have difficulty coming in to the branches access to fair priced loans, saving accounts and the facility to open Nat West Bank Accounts.

A key focus has been to encourage our customers to start saving and open a savings account with Moneyline Cymru, from small amounts of 50p per week to some customers of £50.00 per week to ensure that there is something tucked away for an emergency or rather than borrowing further they have the money already saved.

Our customers love the product as the savings amount is taken at the same time as the loan payment is taken by direct debit so that they do miss the money. The customer can only access their savings twice a year, again encouraging the saving ethos, our customers love this!

During the last 10 months savings have increased from £60 to £12,000 per month and are still increasing, this is an encouraging figure showing that our customers are saving and remain saving with Moneyline Cymru.

My Loan Officers have been out and about within their local communities talking about Moneyline and offering tenants an alternative to door step lenders; Tracey White, Loan Officer from Newport branch visits Newport City Homes Sheltered Accommodation's and Katherine Hopkins, Loan Officer from Cwmbran branch supported Charter Housing Association Money Advice Day in Blackwood and working with the local Credit Unions and CAB talking to tenants about loans and savings and money advice.

The next challenge is to ensure that we at Moneyline Cymru take on during the run up to Christmas the loan sharks and high cost door step lenders with loans to ensure that we can give fair priced loans.

Sarah Leyfield, Manager



What an exciting and successful quarter. Moneyline Cymru has exceeded all expectations, by delivering the right products in a positive and friendly manner and this has been instrumental to our achievements in this first year of operation.

We held our anniversary event alongside the re-launch of the “Don’t get bitten by a loan shark” ad campaign. This was an ideal opportunity to report back to our business partners and stakeholders our achievements. I was extremely proud of what the Moneyline Cymru staff have accomplished over the last year but for all the stats and results the most powerful outcome are those personal stories. Listen to a Moneyline Cymru customer talk of their personal experiences and opinion of Moneyline Cymru [here](#) - and view the loan shark campaign.

Moneyline Cymru was also entered into the UK Housing Awards and was shortlisted in the Welsh Category. You can find more information [here](#).

As we enter the busiest period of the year in the run up to Christmas, my team and I will be working hard, providing our customers with low cost affordable loans along with actively promoting our savings accounts in preparation for the year ahead.

Looking to the New Year I will be working on a combined radio ad, promoting the savings that could be made by consolidating doorstep and pay day loans taken out by customers in the run up to Christmas.

Paul Hillberg, Manager