



Lending Fairly: **Changing Lives**

A not-for-profit, community lender you can trust

Information for our Local Partners



www.conduitscotland.com
0300 111 0559



Fast, fair, affordable and flexible loans
up to £1,000

Affordable Credit Report

Conduit Scotland is supported by a consortium of 3 Local Authorities: Fife, West Lothian and Falkirk and follows recommendations set out in the **Carnegie UK Trust** 'Gateway to Affordable Credit Report' These principles are central to our approach.

Affordability

Efficiency

Speed of Transaction & Fairness

Flexibility

A Gateway to Financial (and Social) Inclusion

Sustainability

Accessibility and Reliability

Strength of Social Motivation and Visibility

Why do we need a Community Development Financial Institution (CDFI)?

A CDFI provides an alternative to high-cost, short-term lenders such as 'payday loan' providers or doorstep lenders. It is for people who are not eligible for mainstream credit including bank loans or credit cards, and who may not be able to access credit union loans. At a time when in-work poverty and insecure work are rising alarmingly, we reach residents on lower incomes with no record of savings and who have an extremely poor or no credit rating. Conduit Scotland often reach customers who won't seek advice from other advice and support services, but may be vulnerable to financial shock and need support to help manage day to day.

We recognise that credit/debt can be an emotive subject, however, CDFIs provide dignified access to credit for people who often have no other options. At some point in our lives most of us need to borrow money.

Many of our customers have also experienced benefit cuts and changes, resulting in affordable credit being necessary for day to day items (as opposed to luxury consumer goods).

It's important to point out that, in addition to lending, it is integral to our approach to work closely with our local partners to help improve people's financial and social position and tackle poverty in the communities we serve.

Our staff take a 'no wrong door' approach, meaning we work hard to ensure that everyone who engages with us, regardless of loan decision, is supported to reach the help they need. Crucially we believe that staff attitude and frontline knowledge make all the difference to customers navigating support and advice services.

We fully recognise that many of our customers will have other needs and we have strong collaborative links with local organisations to support people experiencing poverty to build social and financial resilience, maximise incomes and reduce outgoing costs.

What about APR?

Conduit Scotland's loan illustrations are available online, along with those of other companies serving similar markets.

Our APR is higher than mainstream lending, but substantially lower than high cost lenders, and as a not for profit organisation our rates covers the cost of service provision and risk.

The loans are for people for whom the only options at present might be high cost commercial loans from pay day loan companies, doorstep lenders or loan sharks. A loan from a social enterprise will save people significant amounts of money compared to the alternative.

APR is much misunderstood as this story demonstrates...

It's a pretty common scene, two friends in a bar on a Friday night, one tells the other he's a bit short of cash, could be lots of reasons, and his mate asks "how much?"; "about £75" says the one who's needing the money. So, the other guy says, "I'll lend you £75 till next week, pay me back next Friday and, buy me a pint".

The guy who borrows the money returns to the pub the following week, pays back the £75 and buys his mate a pint, it costs £4.20. £4.20 on £75 for seven days, total cost of credit is, effectively, £79.20, it's **5.6%** of the amount borrowed, but the APR on that transaction is **1614% APR** but it's £4.20 on £75.

APRs are good when deciding between long term loan products like mortgages, on short term small sum credit they're much misunderstood. To see actor Michael Sheen illustrate this scenario, watch this video:

<https://vimeo.com/252850463>

CDFIs are cheaper than commercial credit!

Take this example: If you borrow £500 over 26 weeks



99.8% APR Representative

Representative example: A £500 Conduit loan over 26 weeks; 99.8% APR Representative; loan duration 26 weeks; Total repayable £595.40; Payment 26 weeks of £22.90.
*Example correct at time of publishing (July 2018)
An admin fee of 5% (minimum £10 a maximum of £50) applies to all approved loans, which is deducted from the loan amount awarded.

What about Credit Unions?

Credit unions and CDFI's both provide affordable credit options to an often differing customer base.

CDFI customers tend to be social housing tenants or living in privately rented properties. They often have low or no wages with no ability to save and are reliant on benefits. CDFI customers often have poor, thin, or no credit histories.

Conduit Scotland aims to work in collaboration with local credit unions within West Lothian, Fife and Falkirk to build productive partnerships. If a customer is able to access a credit union loan we would support them to do so, and refer when appropriate.

We serve people who may be unable to access a loan through the credit union.

Working Together

We know our place. We know that affordable credit will play its part in alleviating crisis and financial shock. We are not advice providers. We work with a wide range of local partners to ensure that our customers are supported to build financial and social resilience.

Whilst many services face cuts, the importance of working in partnership increases and we welcome working together with a wide range of services to improve the lives of people experiencing poverty.

We have four easily accessible shops in Dunfermline, Kirkcaldy, Bathgate and Falkirk, our doors are open to partners who wish to meet with us but also to support customers in our premises. We regularly create space for local community development and welcome your thoughts on pop-ups, colocation, two way referrals and any other innovative and collaborative approaches to tackle poverty across Fife, West Lothian and Falkirk.

Please contact Stephanieplotnikoff@conduit.org.uk for more information.

What do our customers say?

"Customer service is really good, can't think of any improvements to be made"

"I would recommend to anyone that needs financial help, the service is second to none and the payments are really affordable"

"It's a very good service to have for folk in my position that have to try to borrow from high cost lenders. Feel like Conduit want to help me get back on track financially"



About our Service

We have four shops

34 High Street, Kirkcaldy KY1 1LU - **01592 808748**

31 Chapel Street, Dunfermline KY12 7AW - **01383 668478**

13 Bank Street, Falkirk FK1 1NB - **01324 464946**

79 Southbridge St, Bathgate EH48 1TJ - **01506 353824**

All shops have desks for support agencies and partners so customers can chat and receive advice.

Shops open from 10-4, Monday-Friday

Customers can also apply online at www.conduitscotland.com and on the phone on **0300 111 0559**.

Phone Line Open 8:30 – 5:00, Mon-Fri

Pop-ups

are available in other localities within Fife, West Lothian and Falkirk, providing information and where possible, a loan application service.

Loan amounts

can range from £100-£1000. Repayment is flexible but is normally 6-12 months.

The application

asks for personal details, income and expenditure. Additional information may be required in some circumstances. Decisions are sent by email, telephone or text. Loan funds usually take around 3 working days to go into account, there is a faster payment option available for a small fee. Loan decisions can be made quickly while customer is in the shop.

Conduit Scotland does not issue loans to:

- Those under 18 years of age
- Anyone whose bank account does not accept direct debits
- Anyone who is currently going through sequestration or subject to a Protected Trust Deed or debt arrangement scheme.

For more information please contact stephanieplotnikoff@conduit.org.uk



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