NZACU
New Zealand Association of Credit Unions

28 November 2013

FOR IMMEDIATE RELEASE

Credit union members to inject millions into local economies before Christmas.

Credit union members will be injecting over $16m into their local economies in the next few weeks leading up to Christmas, and the great news is that none of it will be charged to credit cards, says the New Zealand Association of Credit Unions (NZACU), the industry body representing 23 member credit unions and building societies.

More than 27,000 mum and dad kiwis have been squirrelling away a small amount each week in their local credit union's interest-bearing Christmas Savings accounts, and their commitment to regular savings is about to be rewarded with their accounts about to be paid out – just when they need the money most.

"Many of our members have realised that the Christmas hamper type savings arrangements being advertised may not be the option in terms of saving money, and can be restrictive in terms of what you can buy and who from" says NZACU CEO Henry Lynch.

The NZACU says that setting up a dedicated Christmas Savings Account with a local credit union early in the year has given thousands of people the incentive to save and the flexibility to spend their hard earned savings on what they want, where they want.

"Plus they earn interest on their savings, rather than get charged administration fees. It's a bit of a no-brainer really" said Mr Lynch.

"And it doesn't have to be a huge amount each week, but by starting early in the year and putting a small amount aside regularly for this expensive and potentially stressful time of year has made a big difference to many families" Mr Lynch said.

Christmas savings accounts reduce the temptation of 'easy dipping' into your savings during the year, but if you do need them in an emergency, you can access your money.

"And that's just it: it's still your money. You can spend it (or not!) on anything you like" said Mr Lynch.

This year many credit union members have the added comfort of being able to spend their Christmas savings on-line using their new MasterCard AccessDebit card, rather than having to resort to credit cards to complete the transaction.

"Adoption of online shopping has grown so significantly in the last year alone, it's great to know that credit union members will be able to take advantage of this convenience without the temptation of getting into debt as so many people do with credit cards" says Mr Lynch.

Taking the easy fix of putting everything on the credit card and worrying about it later sees many Kiwis in financial strife when reality sets in after the New Year.

"Credit cards are great for convenience if you can commit to paying them in full off every month, but otherwise, you should simply avoid them" advised Mr Lynch. "Our MasterCard AccessDebit card has all the benefits of a MasterCard, without the temptation of the credit facility."

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Notes:

New Zealand Association of Credit Unions (NZACU)

Credit unions and mutual building societies are co-operatively owned financial service providers, providing their members with a similar range of services to a bank. Credit unions and building societies are all independently owned and operated by their members for their members, and any profits are returned to the members in a combination of ways i.e. fairer fees, interest rates and community involvement.

NZACU is the industry association for credit unions and building societies (www.nzacu.org.nz) and exists to represent, promote and support its 23 Member credit unions and building societies, providing cost-effective business services.

NZACU's members employ over 550 staff, represent 205,000+ members, with more than 95 branches, assets of over $1.3 billion and collectively are the sixth largest financial transactor by volume in New Zealand. NZACU also wholly own Credit Union Insurance Ltd (www.cui.co.nz), a fully licensed insurance provider, under the Insurance (Prudential Supervision) Act 2010.

The NZACU is a member of global trade association WOCCU, the World Council of Credit Unions, which represents over 200 million people in 101 countries across the globe. This international network operates under the vision:

"Improving people's lives through credit unions" and promotes the sustainable development of credit unions and other financial cooperatives around the world.

The NZACU is also a member of Cooperative Business New Zealand (www.nz.coop), the industry body whose mission is "bringing together the country's cooperative and mutual businesses to promote, encourage and support the cooperative and mutual business model, and act as the advocate for those engaged in cooperatives and mutuals." Collectively the mutual banking sector, including mutual banks, building societies and credit unions, represent more than $600 million in revenue per year with a number of these organisations among Cooperative

Business New Zealand's "Top 40" cooperative and mutual businesses (by revenue) and NZACU is ranked at number 28.