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Cheshire East Council throws weight behind local credit unions

Cheshire East Council is asking all its councillors to personally back local credit unions with cash from their own pockets. The council is backing the local Cheshire Neighbours Credit Union (CNCU) as a reputable alternative to payday lenders and illegal loan sharks. Peter Raynes, Cheshire East Council's cabinet member in charge of finance, has asked fellow cabinet members to put their own money into the scheme.

He said: 'We want to protect the most vulnerable people from falling into the trap of borrowing money at astronomical rates of interest.

'Credit unions are superb local institutions which can really help hard-pressed local people access loans, which are affordable and have fair rates, to tide them over.

'I am delighted that all of my cabinet colleagues have signed up to provide local credit unions with cash from their own pockets. I am sure that many of my council colleagues, of all parties, will also want to sign up to this scheme and help give real practical assistance to hard-pressed local people.'

Cheshire East has already blocked access to payday loans websites from all council computers.

Plymouth City Council has banned payday loan websites from advertising on bus shelters and billboards.

The council has also blocked access to 50 of the most popular payday loans websites from council computers and will be working with credit union services to ensure residents have access to affordable lending options.

Cabinet member for co-operatives and community development, Chris Penberthy said: 'Plymouth's advice agencies are taking calls daily from people who are running up huge debts that are causing stress and hardship to them and their families. We need to protect people and make it difficult for payday loan companies to operate in our city but we do recognise times are hard.'

The Public Accounts Committee estimates two million people have payday loans, with 5,000 of them in Plymouth. City watchdog the Financial Conduct Authority, is currently considering a blanket ban on advertising by lenders.

