

Heading: What are the benefits of a credit union?



A credit union, also known as co-operative, is a not-for-profit organisation which is set up by members that have something in common – whether it is the area they live in or work.

Here are seven benefits of choosing a credit union:

1. Credit Unions encourage you to save regularly with a variety of savings accounts and by doing so enable you to keep on top of your finances and access affordable credit.
2. Credit unions offer loans with affordable rates of interest that are way lower than payday and doorstep lenders. This is because they aren't profit-focussed but just need to cover their operating costs.
3. If your employer is in partnership with a credit union, you can save and repay your loan directly from payroll.
4. Credit unions make saving regularly easy. In addition, their rate of return on savings accounts is higher than at a bank.
5. As credit unions are co-operatives and run by their members for their benefit, any profits that have been made will be shared as dividends on their savings. The dividend is agreed at the credit union's AGM each year.
6. Credit unions often offer loans to those who may struggle to secure one from other mainstream lenders.
7. All money saved in a credit union is protected by the Financial Services Compensation Scheme (FSCS) of up to £85,000 per person and may never be lost.

Next steps:

[Become a member](#) of Oxfordshire Credit Union today.

References:

- <https://www.moneysavingexpert.com/loans/credit-unions/>
- <https://www.findyourcreditunion.co.uk/about-credit-unions/>

<https://www.investopedia.com/financial-edge/1211/6-benefits-of-using-a-credit-union.aspx>
<https://www.experian.com/blogs/ask-experian/what-are-the-benefits-of-a-credit-union/>