



## How are Ireland's Credit Unions Coping with the Pandemic?

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Derryman John Hume once remarked, “of all the things I’ve been doing, it’s the thing I’m proudest of because no movement has done more good for the people of Ireland, north and south, than the credit union movement” (Academy of Achievement, 2002). It’s not hard to understand his passion for credit unions. While many bank branches have closed temporarily and moneylending activity is reported to be on the increase in some areas (Society of St. Vincent de Paul [SVP], 2020), the local heroes of essential and affordable financial services have kept their doors open throughout the Covid-19 crisis.

Credit unions are established with the sole purpose of serving their members and supporting the wider community. There are 241 credit unions in the Republic of Ireland, regulated by the Central Bank of Ireland (Central Bank of Ireland, 2019, p. 2). Each credit union is an independent, member-owned co-operative, governed and financed by the members. As a result, they are embedded within the fabric of the communities they serve and are uniquely positioned to identify, understand, and meet the needs of their members. And the proof? In October 2019, credit unions were voted as offering Ireland’s “best customer experience” for the fifth year in a row (CX Company, 2019, p. 4).

During the Covid-19 crisis, credit unions have had wide-ranging measures and supports in place to support and protect their members. Many Covid-19 front-liners have credit unions designed around their specific financial needs, such as healthcare workers (<https://www.hsscu.ie>), gardai (<https://www.straphaelscu.ie>), prison officers (<https://www.priscu.ie>), RTE staff (<https://www.rtecu.ie>), postal operatives (<https://www.anpostcu.ie>) and utility providers (<https://www.eecu.ie>). With offices remaining open and following Health Service Executive social distancing guidelines (see <https://www2.hse.ie>), credit unions have also reported a sharp increase in the use of their online services.

Forbearance in lending has always been a feature of credit unions and, with job losses on the rise (Central Statistics Office, 2020), those struggling with loan repayments have been encouraged to contact their credit union to enable temporary arrangements to be put in place (see for example, <https://www.creditunion.ie/covid-19/>). Some credit unions have designed new services, including emergency loans, to support members who have reduced earning capacity or increased expenses due to the pandemic.

Donore Credit Union (<https://www.donorecu.ie>) on Dublin’s South Circular Road is Ireland’s oldest credit union and is a first-rate example of a credit union that knows its members and understands their individual circumstances. It has contacted all vulnerable members individually by telephone to offer reassurance that the credit union is available to offer support. This courtesy extends beyond those who have been advised to cocoon, to include any members with on-going physical and mental illness, financial difficulty, disability, and addiction. It is being driven by its close relationship with members, offering a lifeline for those living in isolation, needing additional supports or eager for a listening ear.

Some credit unions have put in place delivery services for members who have emergency financial needs but cannot leave their homes; this is supported by An Garda Síochána (Irish League of Credit Unions, 2020). Others offer a “drive-through” service, while member authorisation enables nominated individuals to access services on behalf of more vulnerable members.

The Health Services Staffs Credit Union (HSSCU — <https://www.hsscu.ie>) serves healthcare workers nationwide. While most of their business has moved online, their offices continue to

be staffed and remain open by appointment for emergency transactions. HSSCU offers a “stay at home loan” at a preferential rate to support emergency borrowing for those worried about making ends meet. It has also helped to provide food to hundreds of homeless and elderly individuals by sponsoring a local charity — Little Flower Penny Dinners (<https://www.littleflower.ie>) and providing funding for a full week for a crowdfunded daily sandwich run organised by Doyle’s Corner (a large bar and party venue in Dublin) to frontline staff at the The Mater Misericordiae University Hospital Dublin (the Mater Hospital).

In the true spirit of co-operation, credit unions have also been connecting through self-styled “meitheal groups” — co-operative and reciprocal working arrangements to support one another through the crisis. Detailed business continuity measures are in place, including staggered staff hours and increased working from home. Should a cluster of credit union staff become ill, arrangements have been put in place whereby neighbouring credit unions can offer temporary support to maintain services.

Credit unions have shown themselves to be highly capable, flexible, and resilient in supporting their members and staff through the Covid-19 crisis. They have weathered many crises since John Hume helped to found Derry Credit Union in 1960. In turn, they will need to continue to be supported by their members, wider communities, legislators and regulators to navigate the difficult social and economic circumstances that may lie ahead for them and their members.

## The Author

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