

Bank Transfers Policy

Last updated: May 2023 by the CEO

Authorised: by the BoD on 17 May 2023

1. Purpose

- 1.1 This Bank Transfers Policy is designed to:
- Support the business to manage costs and avoid irrecoverable losses on transfer fees where reasonably practicable;
 - Ensure fairness, objectivity, and consistency in how we process bank transfers on behalf of our Members;
 - Provide clarity and parameters for the management and staff in terms of any limitations or charges that should be imposed for bank transfers.

2. Context

- 2.1 In May 2023, Bank of Scotland dramatically increased bank charges, introducing significant fees for transactions, including Faster Payments and standard BACS payments which take longer to process.
- 2.2 KCB processes thousands of Faster Payments each month.
- 2.3 Although many credit unions don't offer faster payments, our Members expect transfers to be reasonably quick and have become accustomed to this service over recent years.
- 2.4 Continuing to process the same level of transactions (particularly Faster Payments) through the Bank of Scotland will have a huge impact on the profitability of KCB, reducing the likelihood of being able to pay dividends to Members without increasing interest rates.
- 2.5 To continue to charge lower interest rates, deliver quick service, and generate profit for reinvestment and dividend purposes, Directors will review our Bank Transfers Policy periodically and set limits, conditions and charges as appropriate.

3. Limitations

- 3.1 One way to reduce banking costs is to limit the number of transactions. Some Members make very frequent requests for small amounts of money to be transferred. The introduction of limits (upper and/or lower) can help manage demand, as well as encourage more effective and efficient behaviours, including improved consideration for budgeting.
- 3.2 The Organisation's current Policy position is to impose the following limits:

Limitation	Quantity/Amount	Frequency
Minimum amount to be transferred to a bank or building society account	£5.00	Per transfer
Transfers between Member accounts held with KCB	No limits applied	Unlimited
Volume of transfers	10	Per month

4. Charges

- 4.1 Operating within the limitations set out at 3.2 will avoid any charges being applied to Members. For Members who can operate within these limits (the vast majority of Members) they shall see no difference in levels or cost of service from KCB.
- 4.2 Members who – for whatever reason – operate outwith the limits specified at 3.2, the following charges will be imposed:

Limitation	Amount to be charged per transfer
Amount to be transferred to a bank or building society account falls below the minimum set out above	£0.35

Each transfer above the monthly maximum set out above	£0.50
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4.3 For the avoidance of doubt, some transfers may involve a combined charge. For example, a Member making a transfer which exceeds the monthly total where the amount is below the minimum amount shall incur a combined charge consisting of both charges specified in the table at 4.2.

5. Exceptions

- 5.1 As a community-owned credit union that exists to support our Members, we recognise that Members may face financial challenges on occasion, and we wish to be sensitive and pragmatic in such situations. Therefore, the CEO shall have the discretion to waive limits or charges in circumstances that they consider to be exceptional.
- 5.2 In doing so, the CEO is expected to be fair and impartial and take into account previous decisions taken under Clause 5.1 above. In support of this, a record shall be kept of each time the CEO uses their discretion under this Policy. Such record shall consist of – as a minimum – the date the request was received, the Member’s membership number, a basic record of the reasons behind the request, the decision taken and the date the decision was taken.
- 5.3 The CEO’s decision shall be final and they do not need to provide reasons for agreeing or disagreeing with a request to waive charges.
- 5.4 If a Member has evidence or strong reason(s) to suggest that they have been treated unfairly under this Policy, they may lodge a complaint using our documented complaints process.