



Loan Terms & Conditions

At Right Way Credit Union (RWCU), we offer fair, transparent, and affordable loans to support our members' financial well-being. We are committed to responsible lending and providing access to credit in a way that empowers and protects all our members.

Who Can Apply

- Applications are welcome from RWCU members aged 18 or over.
- Non-members are also welcome to apply. If approved, you must join RWCU and meet our minimum savings requirements to become a member.

How to Apply

We offer multiple, convenient ways to apply:

- Online via our secure member portal.
- By phone with our friendly Member Services Team who will guide you through the process.
- In person or by post, using our paper application form available at our branches or on request.

All applications are subject to our verification and identification checks in line with anti-money laundering regulations. This may involve a check with Credit Reference Agencies and confirmation of your address through the Electoral Register or utility bill.

Loan Assessment Process

Right Way Credit Union is a responsible lender. Every application is assessed carefully and individually. We consider:

- Your income and regular expenses
- Your existing financial commitments
- Your ability to afford repayments without financial hardship

We use Open Banking and Credit Reference Agencies to support our affordability checks. However, we do not make decisions solely on credit scores—your personal circumstances matter to us.

In some cases, we may offer a reduced loan amount than requested. We reserve the right to decline an application if we believe the loan is unaffordable or unsuitable.

Supporting Documents

To process your application, we may ask for:

- **Proof of income** (e.g. payslips, benefit award letters)
- **Three-month recent bank statements** (or Open Banking access to ALL bank accounts)



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Loan Offers

If your application is approved:

- A formal **Loan Agreement** will be issued
- You must complete a **method of repayment before loan is issued** this can be Recurring payment (PoS via Card), Standing Order Child benefit or payroll deduction
- The offer remains valid until RWCU confirms disbursement

We recommend all members seek independent legal advice—such as from Citizens Advice or a solicitor—before signing any legal contract.

Interest

- Interest is calculated daily on the reducing loan balance
- Our loans are not front-loaded, meaning you may pay less interest overall if you repay early
- Your APR is clearly stated in your loan agreement.

Repayments

- Loan repayments are made via standing order, recurring card payment or payroll deduction
- A minimum of £2 per month must also be deposited into your Share 1 savings account to help you build a savings habit and reduce borrowing reliance
- There are **no fees for early repayment**. You may repay in full at any time with only the interest accrued due

Savings as Security

- Your Share 1 savings are held as security against the loan
- These funds are not withdrawable until the loan is fully repaid unless in an emergency situation. In the event you require accessible savings, we offer a second instant Access share account to allow you to save and access your money while you have a loan running.
- This helps protect all members' savings and supports the credit union model of mutual responsibility

Top-Up Loans

If you wish to borrow more, we will:

- Settle your existing loan
- Combine it with the new loan amount
- Issue a new loan agreement (terms and rate may differ)



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Declaration of Health

By applying, you confirm that:

- You are in good health
- You are not aware of any circumstances (medical, financial, or otherwise) that may affect your ability to repay the loan
- If your situation changes, please contact us immediately—we will work with you to find a solution.

If You Experience Financial Difficulty

We understand that circumstances can change. Please **get in touch immediately** if you're having difficulty making repayments.

We may:

- Adjust your repayment schedule
- Offer support tailored to your needs

If no arrangement is made, we may:

- Seek recovery via **court action**
- Apply for deductions from eligible benefits through the **DWP Loan Deduction Scheme**

This is a last resort. We always prefer to work directly and supportively with our members.

Default and Recovery

Should you fail to make payments, lose employment, or enter bankruptcy, the full outstanding balance, including interest, may become immediately due.

The borrower assigns all current and future paid shares to Right Way Credit Union as security for repayment, allowing the lender to apply them toward any owed amounts.

Failure to comply with the agreement may result in legal action, including court proceedings or recovery via DWP benefit payments.

Termination

The lender may terminate the loan agreement and demand immediate repayment of all outstanding sums if the borrower fails to comply with any material part of the agreement, provides false or



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inaccurate information, becomes subject to court action affecting their assets, is declared bankrupt, or grants a Trust Deed. In such cases, all interest that would have been payable over the loan's term becomes immediately due, and the lender may apply any funds held in the borrower's accounts toward repayment.

Default or failure to repay debts owed may also result in expulsion from membership under Rule 13.01 of the Credit Union membership.

Right to Cancel

You have the right to cancel your loan agreement within **14 days of disbursement**:

- Notify us verbally and confirm in writing within 5 working days
- Repay the full amount borrowed, including any interest accrued (no penalties apply)

Data Protection and Privacy

RWCU complies with the UK Data Protection Act 2018 and GDPR.

- We use your personal data to assess and manage your loan
- We may share your data with Credit Reference Agencies, debt recovery services, or the DWP in line with our legal obligations
- For our full Privacy Notice, please visit www.rwcu.co.uk/privacy-policy

Complaints and Member Care

We're here to help. If you have any issues:

- Contact our Member Services team first
- Visit our Website for full complaints process (<https://rwcu.co.uk/member-complaints/>)
- If unresolved, you may escalate to the **Financial Ombudsman Service** (www.financial-ombudsman.org.uk)

Financial Services Compensation Scheme (FSCS)

RWCU is a member of the **FSCS**. This protects eligible savings up to £85,000 in the unlikely event of a failure. For details, visit www.fscs.org.uk