

Association of Building Societies and Credit Unions

## MEDIA RELEASE

Tuesday 16 October 2007

### Credit union and mutual building society members continue to benefit from mutual ownership

As International Credit Union Day approaches (Thursday 18 October), new figures from CANNEX show that members of the 150 credit unions and mutual building societies across Australia are saving an average of \$117 each year as a direct benefit of banking with organisations they own<sup>1</sup>.

This "mutuality dividend" is an estimate of amount of money saved in transaction fees, higher interest rates on savings and other benefits enjoyed by members of credit unions and mutual building societies.

"This is money, that in the case of banks, would be diverted away from customers and into profits," said Adrian Lovney, CEO of Abacus – Australian Mutuals (the industry association for credit unions and mutual building societies).

"Unlike the banks, credit unions and mutual building societies are owned by customers and exist only to serve their needs. They do not pay dividends to shareholders, but return value through better service, fairer fees and support for their communities."

Mr Lovney also said other benefits of mutuality can include pricing or loyalty bonuses, or broader community benefits such as the promotion of savings, or investing in financial literacy and other socially responsible initiatives.

"Mutuals believe their primary purpose is to serve their members and wider communities," said Mr Lovney. "They strive to continually improve their products and services as well as find meaningful and practical ways to serve in their communities."

Mr Lovney also said the focus on members through the mutual ownership model was a major factor behind mutuals consistently exceeding the customer satisfaction performance of the major banks. "90% of customers using their credit union or mutual building society as their main financial institution are satisfied with the service they receive," he said. "For the major banks, the figure is 72%."

To promote the benefits of credit unions and mutuality, Abacus has launched a new website; visit [www.adifferentkindofbanking.com.au](http://www.adifferentkindofbanking.com.au) for more information.

#### For more information:

**Paul Murton, Media Relations Manager**

**02-8299 9024; (0434) 185 229; [pmurton@abacus.org.au](mailto:pmurton@abacus.org.au)**

*Since 1948 International Credit Union Day has been set aside to reflect upon the credit union movement's history and to promote its achievements. It honours those who have dedicated their lives to the movement and is an opportunity to raise awareness about the great work that credit unions are doing and give members the opportunity to get more involved. In Australia, credit unions are using International Credit Union Day to raise public awareness and understanding about the movement.*

<sup>1</sup> As measured by Cannex, Australia's leading consumer finance research firm. The member valuation analysis from October 2006 to September 2007 measured deposit rates and lending rates, as well as all fees associated with deposits and loans during the year. On average Cannex found that each member derived an average of \$117.67 in benefits.