

# **West Lothian Council agrees support for credit unions**

**Credit unions across West Lothian are being backed by West Lothian Council as another high street bank shut its doors.**

The Royal Bank of Scotland closed its doors in Bathgate this month, and the town faces the loss of the Bank of Scotland branch in June.

Bank closures also threaten Linlithgow, while many smaller towns and villages have lost their branches in recent years.

SNP group depute leader and Bathgate councillor Pauline Stafford warned that many families struggle in the cost-of-living crisis as traditional banks desert high streets and many face mounting debts and could fall victim “to unscrupulous lending practices”.

The joint motion between the SNP and Labour, signed by council leader Lawrence Fitzpatrick, said: “Credit Unions have the potential to play a major strategic role in the fight against poverty and financial exclusion.”

The big banks say changing customer practice means that high street branches are no longer viable. RBS says more than 97% of its retail accounts are opened over the internet.

As of December 2023, there were only 404 bank branches left in Scotland, with 636 banks and building societies closing since 2015 – more than 60% in just nine years.

Cash access has also been restricted by the loss of sub-Post Office counters.

The composite motion agreed by council said: "As a result of the withdrawal of many of West Lothian's high street bank branches there are many people who will struggle further to manage their finances.

"Without credible, structured and accountable alternatives they could fall victim to unscrupulous lending practices. We have also recently seen the withdrawal of WLC counter staff as another blow to hands-on financial accessibility."

The council already offers financial help and advice through the Advice Shops, and council staff can contribute through payroll deductions to a credit union.

The motion suggests giving wider support to existing credit unions through council information sites and encouraging the establishment of credit unions – potentially including establishing a credit union development officer – as Scottish Borders Council has.

One of the key requests asks the council to consider introducing cautions to anyone accessing pay-day loan sites on council computers.

The motion adds the council should: "Consider introducing a mechanism so that any member of the public trying to access pay-day loan sites from council-provided public computers in libraries and community centres will trigger a warning page when accessed, and information on how to contact more affordable lenders in the area like the credit union can be provided."

Councillor Stafford thanks the Labour party for supporting a composite motion. She added: "I'm sure most of us know and value the work that's done in our credit unions currently to support our communities.

“I think there’s still more we can and should do to help raise the profile of credit unions further and explore ways that we can further embed them in a greater range of council services.

“Their services have become even more important in the last decade as endemic and worsening inequality continues to blight our society, and as mainstream banks withdraw from communities as has just occurred in my own ward.

“We also know that the current UK financial sector is not well suited for many low-income households and for families that have no or very low credit rating they face financial exclusion and often pay a poverty premium just to access mainstream credit.

“Many of these families are now relying on these loans to cover basic household costs such as food and energy bills. Having a range of options for them is really essential.”

Proposals will be addressed by council officers and discussed by the council’s Corporate Policy and Resources PDSP.

Other key elements of the agreement include: –

- That the details of local credit unions are included on the staff intranet and payslips and in all public buildings.
- The possibility of credit union visits to staff rooms and canteens across the council and the inclusion of regular features in the council’s Bulletin, social media and literature to council tenants.
- Exploring how the council can encourage and facilitate credit union services in a school setting to offer

financial education and promote the benefits of saving.

- To support and develop a campaign along with local credit unions to promote incentives for housing tenants to save for Christmas, helping to avoid rent arrears related to the Christmas period.

By Stuart Sommerville, Local Democracy Reporter