

Town puts £15k into plan to beat pay-day lenders



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Up to £15,000 of public money is to be invested in a credit union by Tenterden Town Council.

Members agreed to make the commitment in the new Tenterden Savers, a branch of Kent Savers, which will be up and running by the spring.

The suggestion came from town clerk Phil Burgess at a finance and general purposes committee on Monday.

Credit unions provide loans to individuals at a low rate of interest as opposed to people having to use pay-day lenders.

Committee chairman Robin Wade said: "I am sure we all agree this is an excellent thing. It is great that it will be up and running in a short space of time."

He said that investors would be paid a dividend of around 1% a year. Money invested would be underwritten by the government so could not be lost.

"It is a very good way to beat the pay-day lenders," he said. "If we do this, it will provide



Cllr Sue Ferguson and Cllr Robin Wade

encouragement to others that it will work."

Cllr Sue Ferguson, one of those behind Tenterden Savers, said it would be operating by the spring.

"If there is one reason to become part of it, I saw a TV advert for loans from £250 to thousands of pounds with a 1,295% APR," she said. "I was shocked. The interest rate will not be nothing with the credit union, but it will not be 1,295%."

She added that as Tenterden

Savers was backed by St Mildred's Church, it gave it some credibility.

Cllr Mike Pearson queried where the £15,000 would come from and was told it would be from general reserves.

Cllr Alan Sugden proposed and Cllr Emma Hannett seconded that the council back the credit union and invest up to £15,000.

The idea for Tenterden Savers came from Canon Lindsay Hammond, vicar of St Mildred's

Church, after the Archbishop of Canterbury, the Most Rev Justin Welby, attacked pay-day lenders.

A public meeting backed the scheme last year and another meeting was due to be held last night (Wednesday).

It is hoped an office will be created at St Mildred's Church Hall in Church Road which can also offer other financial advice.

■ For more information, go to www.tenterdentown.co.uk/tenterden_savers