

FORWARD EVER, BACKWARD NEVER

The Pentecostal Credit Union:

Celebrating Twenty Five Years

A Brief History

Draft produced by MDA

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This book is dedicated to

Lionel Donovan Gabriel Jones 1963 -1996

He is in our hearts always and forever

The Twenty Third Psalm (Add photo of Lionel Jones)
Lionel Jones LLB BSc Gone but not forgotten (caption)

The Lord is my Shepherd; I shall not want
He maketh me to lie down in green pastures;
He leadeth me beside the still waters.
He restoreth my soul;
He leadeth me in the
Paths of righteousness for His name's sake.

Yea though I walk in the valley of the
Shadow of Death I will fear no evil;
For Thy rod and Thy staff they comfort
me.

Thou preparest a table for me in the presence of
Mine enemies;
Thou anointest my head with oil;
My cup runneth over.
Surely goodness and mercy shall follow me all the days
of my life;
And I will dwell in the house of the Lord forever

Foreword: Ken Livingstone

This book is about the Pentecostal Credit Union (PCU): a credit union set up from virtually nothing in 1979 and which is now one of the largest and most successful credit unions in the UK.

The book tells the story of the PCU, where it came from, what drove it, how it grew and what it has achieved. It describes a vision about social justice translated into action – making a difference to many people’s lives.

I am a great supporter of credit unions, and am a member of one myself. Credit unions, common in many parts of the world, for example the Caribbean and the US, promote access to banking often denied to some people by the mainstream banks and institutions. Credit unions are unique in that they follow a philosophy of self-help, member control and economic development. They can be seen as an economic tool affecting the members’ needs and culture, whereby surpluses are used to benefit members. This is in stark contrast to other lending institutions.

At the GLC in the 1980s, we recognised the potential of credit unions, and developed a programme of supporting them. Through our programme, we encouraged them to become viable and grow. Looking back now, we were probably ahead of our time, and the legacy that has been left is that the unions that were supported by the GLC have, in the main, grown and prospered, and encouraged others to develop and establish their own union.

The Pentecostal Credit Union was one of the unions we supported in its early days and I am proud to be associated with its success now. I celebrate its twenty-five years of existence and wish it further success in the challenges of the future.

Preface: Bill Morris

The Pentecostal Credit Union (PCU) emerged out of the struggles that many black Caribbean people (and others) arriving in the UK had to contend with in the 1950s, 60s and 70s. One of the barriers they faced was the attitude of the banks. In those days, they simply did not want to know. Black and minority ethnic groups were more likely to be denied access to finance than indigenous people. Too often they had to call on families and friends for help, but also commonly sought high-cost loans from loan companies, door-to-door salesmen from dubious companies or loan sharks.

Credit unions, of course, have been an integral part of Caribbean life for many years, and indeed there were Caribbeans who settled in this country and had a significant influence on the growth of credit unions in the UK.

In the case of the PCU, allied with this has been the influence of the Church, and in particular the growth of black majority Churches in the UK. This growth also emerged from the increasing migration of Caribbean people to the UK after the war, a landmark of this being the arrival of the Empire Windrush in 1948.

The Church in the Caribbean was a far greater part of everyday life and common experience than was to be found in the UK in the 1950s and 1960s, where the Church was found to often be cold and unwelcoming. Hence, Pentecostal Churches created and run by immigrant groups and individuals in their houses sprang up to fill the gap.

Marrying the black Churches and the Pentecostal movement and the concept of credit unions can therefore be seen to be a powerful and positive influence for black communities across the UK. As referred to in the book, the PCU was seen to be a vehicle for social and financial inclusion at the local level.

The PCU has been built on trust within the community, along with the obligations from PCU members. It was also recognised that the route to social inclusion was an economic one, with organisations such as the PCU meeting a need in the context of economic development, helping to fill a vacuum created by mainstream institutions.

As reflected in this book, the PCU has grown steadily over the twenty-five years to be where it is today; one of the largest and most financially sound credit unions in the country. An important part of this work has been not only in lending to and supporting individuals, but also funding and lending to black majority Churches which has enabled them to grow and prosper and, most importantly, develop a range of community activities and support in local neighbourhoods. The PCU, as part of its *raison d'être*, wants to continue to play a part in local community development and enterprise. However, as the book highlights, this approach is now under threat, with the FSA's regulatory regime now effectively preventing the PCU from carrying out such work.

Effectively the PCU cannot initiate social and economic development for broader strategic initiatives, which can be seen as detrimental not only to the development of the PCU but also many other credit unions. The approach taken by the FSA also contrasts with that taken in other countries, where a credit union is allowed to play an important role in the economic development and regeneration of the community at local levels.

In the coming months the PCU will be looking to make these arguments to the FSA to change its approach, and allow the PCU to consolidate and progress its work with the Churches on the community development projects.

I am sure that the PCU, working with others, will succeed in its mission to provide a service not just to individuals, but also to a wider audience. I wish the PCU well, and support its continued work and growth in making a real difference in people's lives.

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The Pentecostal Credit Union: Celebrating Twenty
Five Years: A Brief History**

This book was researched and produced by MDA, a diversity and research consultancy. In working on the project, MDA worked closely with the PCU and associated organisations and individuals. We are grateful for the time given by individuals and the materials and information they provided to us.

1. Introduction

The Pentecostal Credit Union (PCU) formally came into being in 1980, originally operating from a tiny room in Balham. Sixteen people attended its first meeting in 1979; in the same year its first official payment was made – £1.20 for a Rule Book. Aided by the dedication of those involved in its formation, PCU quickly grew. Knowledge of its creation spread in churches throughout south London and membership increased rapidly. PCU is now one of the largest Credit Unions in the UK, with nearly 2000 members and members' funds running at over £7,000,000.

The central theme, and 'common bond' (see section 3) has been membership of the Pentecostal Church, a black majority Church movement, with its roots in the Caribbean. The Credit Union, when it was set up, was a positive response to the difficulties that existed at that time, especially black and minority ethnic groups who were turned away by the banks and other legitimate lenders, or who were exploited by 'money lenders' and shady banks and lenders.

The PCU, through imagination, determination, commitment and a strong belief, has grown and flourished over the last twenty-five years. This book gives a brief history of these years. It tells the story of the PCU; where it came from, what drove it, how it grew and what it has achieved. It describes a vision about social justice translated into action, making a difference to many people's lives.

By definition, the PCU has been driven by a strong set of religious beliefs and values, reflected using the practical mechanisms of the Credit Union movement.

The two entities – the Pentecostal Church and the Credit Union movement – fit well together, reflecting principles of fairness, helping one's neighbours, justice, and working to make the world a better place in which to live.

Credit Unions are concerned with 'people helping people', with a motto of 'not for profit, not for charity, but for service'. These approaches reflect the teachings and values of the Pentecostal Church.

Hence, as part of the background to the growth of the PCU, this book looks briefly at Credit Unions and the black majority Churches themselves, as manifested in the major strand of the Pentecostal Churches, as part of the overall context. However, the main body of the book is concerned with telling the story of the PCU – who has been involved, what has happened – and drawing out potential lessons for the future.