

# MEMBERS *Direct*

ISSUE 17 AUTUMN 2014

## Embracing Change

### *Welcome...*

After your Society's 60th anniversary celebrations last year, in 2014 we have even more reason to celebrate the ongoing growth and development of HBS with some notable successes.

There is one thing for certain in the UK financial market, nothing remains stagnant and your Society has successfully navigated through the peaks and troughs of the global economic climate and resulting increased financial regulation.

Our performance results continue to improve year on year, and our commitment to providing the highest possible interest rates for our Savers remains, with all bar one of our Savings Accounts, maintaining the same rate since 2009.

We also recognise that as we expand we need to strengthen our Senior Management Team, and I am pleased to announce the promotion of Carl Astley from Finance Director to Deputy Chief Executive, together with the appointment of Nat Lewis as Head of Treasury & Risk.

I would also like to thank the 16.7% of eligible members who voted in our recent AGM. Each vote cast provides a donation to our chosen charity for 2014, The British Heart Foundation.



*Paul Marsden*

**Paul Marsden**

Director & Chief Executive

## Strengthening our Senior Management Team

As we continue to expand, we recognise the need to both recruit and develop opportunities for our Senior Management Team. In this respect we are pleased to announce:

● The promotion of Carl Astley from Finance Director to Deputy Chief Executive. Carl originally joined us in 2006 as Finance Manager and was promoted to Finance Director and an Executive Member of the Board in 2010. Carl is a highly experienced member of the SMT and this role will allow him to use his key strengths in a broader range of society activities including Operations and Marketing whilst retaining oversight of Finance, Treasury and Risk.



**Nat Lewis**

● The appointment of Nat Lewis as Head of Treasury and Risk. Nat joined us earlier this year and has extensive finance and treasury experience within our market sector. This includes four years spent at Saffron Building Society as Head of Finance and Treasury. Additionally he has spent two years as a Treasury Consultant with King & Shaxson followed by a further year as Ethical Fund Manager.

# A commitment to savers

By **Phil Bannister**  
HEAD OF OPERATIONS  
& INVESTMENTS



Your Society is once again pleased to announce that interest rates have been held firm on almost all savings accounts since 2009. This is a key commitment in rewarding our members by protecting and maintaining the best possible rates on offer.

To achieve this we have reduced the level of corporate time deposits to less than 5% of overall society deposits and placed restrictions on the opening of many savings accounts.

In line with other financial providers however and following the recent budgetary announcement by the Chancellor of the Exchequer relating to the increased annual cash ISA subscription limit, we reduced the rate on the Simply Cash ISA. This was a significant decision as our competitive rates meant savers deposits far out-paced the requirement for mortgage lending, tipping the balance in the books.

The Society is committed to ensuring its rates remain competitive and well placed within the market. Rates are continually reviewed to ensure we maintain the balance between savers deposits and mortgage lending whilst providing the best possible rates to our members.



## Your Society continues to grow

By **Carl Astley**  
DEPUTY CHIEF EXECUTIVE

I am pleased to report that your Society continues to celebrate further success with July 2014 mid-year performance results showing:

- Overall balance sheet growth of 4.7%
- Retail deposits increased by 8%
- A 4% increase in profitability

In particular the retail deposit growth has secured our overall funding requirements for 2014, enabling our mortgage team to develop further opportunities without any need to borrow on the money market.

Our investment in the Head Office premises not only secured the Society's future in Harpenden, but the tenanted parts of the property provide an additional stream of income. The return on investment made from purchasing the building is equivalent to 32 times that we could obtain from placing the cash in the money market.



## Faster Payments within 2 hours

**Elaine Adams**  
BRANCHES SUPERVISOR

Since January 2012 your Society has been providing the Faster Payments money transfer service, resulting in a noticeable increase in the number of payments requested and sent.

By using this service in branch or by post, you can request a payment to be made from your account of up to £100,000 per day. This service is also available using Online Services, where you can transfer up to £10,000 per day into your pre-designated account.

With payments often taking less than 2 hours and provided we have your request by 3pm, the payment will arrive as cleared funds to the nominated account the same day. This is substantially faster than the conventional cheque clearing and older BACS systems, which could take up to 7 days to clear.

For further details ask in branch or call our Member Services Team on 01582 765411.

## A fond farewell

At the end of this year we say a fond farewell to two of our Non-Executive Directors. Nigel Terry retires from our board, having served on it since 1996, and Kate Wilson has relocated having served on our Board since 2008.

We are certain that you would join with us in thanking Nigel and Kate for their expert guidance and contribution through the recent financial crisis, and wish them well for the future.

Details of the new Non-Executive Directors will be announced later in the year and an introduction will feature in our next newsletter.



## New Society Rules

A new 2014 edition of the HBS Society Rules is now available. The alteration to the Rules of the Society was registered in June 2014 by the Financial Conduct Authority and took effect from 1st July 2014.

The comprehensive 66 page document covers the key deposit, lending, membership, directors and operational requirements of the society. Copies are available by visiting [www.harpendens.co.uk](http://www.harpendens.co.uk).

## New leaflets now available



We have recently published a range of new leaflets covering our popular:

- One year Bond Freestyle Savings Account
- 18 Club Savings Account
- 21 Club Savings Account
- 30 Days' Notice Savings Account – Hertfordshares, Bedfordshares, Premiershares
- Instant Access Escalator Account

Additionally we now have available literature to help our members on our latest identification requirements.

Copies of all the literature can be obtained at any of our branches or by visiting [www.harpendens.co.uk](http://www.harpendens.co.uk).



## Mortgage Market Review...

By Richard Mason HEAD OF LENDING

Since April 2014 lenders have been required to operate under new rules, coming into effect as a result of the Mortgage Market Review (MMR). The new rules are being introduced to reinforce consumer protection and will be overseen by the industry regulator, the Financial Conduct Authority (FCA).

According to the FCA, there are nearly 10 million mortgages in existence in the UK, with more than £1 trillion owed. Under the new rules, new mortgage applications are subject to additional affordability checks in relation to mortgage payments.

The bank base rate is at a record low at the moment, so mortgage rates have also been low for some time. Under the new system, a lender offering a mortgage with a current interest rate of, for example, less than 5%, will now have to decide whether an applicant would be able to meet regular

repayments if the rate was to rise in the future. In order to decide, the lender will now need to take account of both income and expenditure to calculate the potential borrower's ability to afford the mortgage.

Your Society has always taken a cautious but common sense approach to mortgage lending, weighing up each case individually and tailoring the mortgage to customer needs. We will also consider a wide range of income sources to support a mortgage application.

It is however worth remembering that in light of these changes across the industry, the mortgage application process may take longer to complete than before, and that customers may need to provide additional information about both income and expenditure before a final decision can be made.



## Three decades on...

Vivien Fletcher is a retired business owner living in Radlett and has been a member of Harpenden Building Society since our Radlett branch first opened in May 1981.

Having run a successful clothing shop in the village, Vivien was first attracted to the convenience of HBS and was one of the first members to join the newly opened branch over 30 years ago.

Vivien attributes her longstanding relationship with our Society to key factors, including our strength as a thriving financial institution, as well as our personal service. "Other financial institutions are impersonal

and bureaucratic, but I find Jan, Pauline and the HBS team are all very personal, which is sadly missing elsewhere in this day and age. I'm made to feel really welcome at the branch."

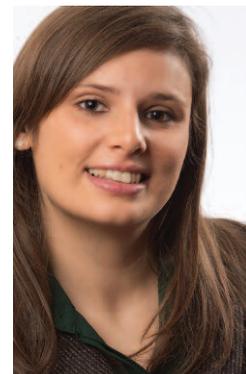
Vivien continued: "I've had savings accounts with the Society since I joined back in 1981, and now have a mortgage with them too, which was an easy and straightforward process. I'm comfortable with the rates I get from HBS and I feel secure in the knowledge that my money is safe."

These days Vivien spends her time travelling, playing golf and going to the gym, as well as helping out with her grandchildren. "I have three daughters, all married now, the youngest uses HBS too. I divide my time between living here in the UK and travelling, so it's good to know I have a solid financial institution in the UK, it gives me peace of mind."

## Member Services Team are here to help

Established in July 2012, the Member Services Team is run by Emma Sinclair, who was previously Office Manager at our Tring Branch. The team has recently expanded to four and provides an excellent level of service to our members.

Whether it's incoming payments, online services, faster payments, account amendments, transfers, savings, post or incoming telephone enquiries, our Member Services Team are on hand to ensure our members receive a prompt and efficient service outside of our branch network.



# Providing a helping hand in the community

We continue to support the Hertfordshire Community Foundation and have assisted with some key projects, including a donation to the charity Family Lives, which helps vulnerable families. Our support will allow them to purchase new IT equipment and furniture for their call centre, which will enable them to support an additional 150 families that would have otherwise not received a service.



Other good causes we have donated to this year include Annable's Farm school, a new Hertfordshire-based education charity dedicated to raising awareness of where their food comes from, how it is produced, and how farmers preserve the environment for the benefit of society.

North Mimms Youth Project, a community run youth group that provides activities for young people aged 9-16yrs, has benefited from our donation which has funded a tent and three sets of catering equipment to help them keep up their good work.

In addition to the support we provide through Hertfordshire Community Foundation, we also help many other local good causes. We will be funding a new outdoor canopy for Halton Community Combined School in Halton, through our HBS Charitable Trust Fund, as well as our continued support of other local activities, including the Herts 10K Run, Classics on the Common, the Radlett Festival and Aldbury May Fair.

## Your vote counts

Thank you to the 16.67% of eligible Members who voted in our recent AGM. Each year the Society donates £1 to a chosen charity for every vote cast and this year £2,056 was raised for the British Heart Foundation. The results for this year's voting (including proxies) are shown in the table:



### MAJORITY IN FAVOUR

Directors' Report & Accounts	98.83%
Re-appointment of Auditors	96.76%
Director's Remuneration Report	93.35%
Amendment to the Rules of the Society	96.84%

## Financial Services Compensation Scheme

Your eligible deposits with Harpenden Building Society are protected up to a total of £85,000 or a combined total of £170,000 for joint accounts, by the Financial Services Compensation Scheme, the UK's deposit protection scheme. Please contact us on 01582 765411 for further information or visit [www.fscs.org.uk](http://www.fscs.org.uk).



## Around the branches



We are delighted to announce that later this year, our Wendover branch will start operating a school bank at the Halton Community Combined School, in Halton, Bucks. An assembly was recently held at the school introducing your Society to the children and explaining how the savings process works. This is the fifth school bank we now operate, with others in Harpenden, Wendover and Aston Clinton.

We are always looking to improve our service and have recently installed cheque readers on all our counters to help speed up the transaction process. These read the MICR line on the bottom of each cheque, saving the cashier time rather than having to enter it manually.

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A MEMBER OF THE BUILDING SOCIETIES ASSOCIATION | AUTHORISED BY THE PRUDENTIAL REGULATION AUTHORITY AND REGULATED  
BY THE FINANCIAL CONDUCT AUTHORITY AND PRUDENTIAL REGULATION AUTHORITY. FIRM REFERENCE NUMBER: 157260

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