

Chance to 'win while you save' with new credit union prize account

- Treasury launches pilot of new PrizeSaver account on International Credit Union Day
- Savers who put away as little as £1 with participating credit unions have chance to win up to £5,000 a month
- Account is part of work to raise awareness of credit unions and encourage greater saving for the future

Savers could now win up to £5,000 a month with the launch of a new account with credit unions today (Thursday 17 October).

To mark International Credit Union Day, the Treasury has teamed up with 15 credit unions across Britain to launch the new PrizeSaver pilot account. The pilot will give people who open an account with participating credit unions the chance to win prizes every month and boost their savings.

Every month will see a top prize of £5,000 awarded to the winning saver, with a further 20 smaller prizes of £20 also awarded. Accounts are available now with the first wave of credit unions and the first prize-draws will take place in mid-December.

The pilot, announced at last year's Budget, is designed to help improve people's financial resilience by encouraging greater saving for the future, as well as raise awareness of credit unions and the services they offer.

The Economic Secretary to the Treasury, John Glen, said:

We all know that saving for the future is important and I want to make it as easy and attractive for people as possible.

That's why we've teamed up with credit unions, on International Credit Union Day, to launch the new PrizeSaver account pilot, giving people the chance to win up to £5,000 on their hard-earned savings.

Credit unions provide an invaluable service for people up and down the country and I'm pleased that together we can give more people the chance to win while they save.

Credit unions are a type of member-owned cooperative, controlled and run by members. Most either serve specific local areas or certain professions like

the police. Credit unions redistribute their profits to members through interest or dividends, or by investing in new services to meet the needs of their members.

Fintech company incuto was appointed by the Treasury earlier this year to administer the pilot and work with credit unions to ensure they can operate the account. The move is part of the government's drive to use innovative UK fintech companies to boost financial inclusion.

The PrizeSaver pilot is designed to encourage new and existing credit union members to save, starting with as little as £1 a month. The pilot also aims to attract new members to credit unions, who play a vital role in financial inclusion in particular as an alternative to high-cost lenders.

The account is partly inspired by the 'Save to Win' scheme in the US, which has helped credit union members save \$200 million and has awarded \$3.1 million in prizes nationwide.

The pilot will run until the end of March 2021 and will help inform understanding of the PrizeSaver model. The Treasury will work with participating credit unions to evaluate the success of the PrizeSaver accounts throughout the pilot, with an ambition to roll the account out more widely if successful.