**Application form to participate in HM Treasury prize-linked savings pilot**

Last year the Government committed to launching a pilot of a new prize-linked savings scheme for credit unions, to help people increase their financial resilience while boosting awareness and membership of credit unions. This is part of a wider package of measures to reduce reliance on high-cost credit.

Under the scheme individuals who save will be entered into a draw to win cash prizes. This is based on a successful model in the US. We hope this will motivate people with little or no savings to start saving into credit union accounts, and will benefit credit unions by attracting new members.

We are looking to partner with 10-15 credit unions for a two-year pilot. This will run from May 2019 to March 2021, with the accounts expected to launch in September 2019. This pilot is currently open to credit unions in England, Wales and Scotland.

The aim of the pilot is to test whether the prize-linked savings model is effective at attracting new savers and will be financially sustainable in the long-term. If so, we will seek to find a sector partner to take over running the scheme.

We invite credit unions who are interested in participating to complete this application form and submit it to: [creditunionpilot@hmtreasury.gov.uk](mailto:creditunionpilot@hmtreasury.gov.uk).Applications close on Friday 17th May 2019.Please get in touch if you have any questions, and we look forward to receiving your application.

**How the pilot will work**

**HM Treasury will:**

* Provide the prize money for the duration of the pilot
* Contract an operational supplier to run the prize-linked savings scheme, which will extract data from the credit unions, run the prize draws, and pay the winners
* Provide branding, marketing materials and strategy support to help market the accounts
* Evaluate the scheme to assess the success and sustainability of the model

**Participating credit unions will:**

* Work with HMT and the operational supplier to design the scheme
* Administer the accounts, including setting them up and managing them on a day to day basis
* Work with the operational supplier to set up the scheme to agreed timescales and provide the necessary data for the prize draw entries
* Promote the accounts to new customers to generate a good level of sign-ups
* Comply with necessary data protection and regulatory requirements
* Provide HMT with evaluation data

Participating credit unions will be asked to sign a Memorandum of Understanding with HM Treasury, setting out roles and responsibilities in more detail.

**How we will select credit unions**

A panel made up of HMT officials and external experts will assess the answers provided to the below questions against the following criteria:

* Commitment to the pilot
* Technical capability
* Financial stability
* Marketing capability

HMT’s contracted operational and marketing suppliers will provide advice on the technical and marketing responses respectively.

In addition, we want to test how the prize-linked savings model works in different types of credit union, so we will also be seeking to ensure we have good diversity of credit unions participating (e.g. in size and location).

If we have more applications than places on the pilot, we may retain a reserve list of credit unions which can join the pilot at a later stage if we have capacity.

**Questions to answer**

**Commitment to the pilot**

1. Why do you want to participate in the prize-linked savings pilot?
2. Do you agree to participate in the pilot for the two-year period and fulfil the expectations set out on page 1? *If you need e.g. Board approval to participate under your internal governance rules and cannot get this before the closing date, we are happy to accept your application with final approval to follow. Please include details on whether board approval is required to participate in the pilot, and if so whether this has been received or when it is likely to be received by.*

**Technical capability**

1. What IT supplier(s) do you use to run your accounts?
2. Who is the supplier of your back-office system? (e.g. Curtains, Progress)
3. Do you outsource any of your back-office administration to a 3rd party?  If so, who?
4. There may be some IT development work needed to extract the right data from participating savers’ accounts to generate the prize draw entries. What technical resource do you have available to do this?

**Financial stability**

1. Please provide the following information:
2. i) your capital position and ii) your liquidity position as of the end of March (as %)
3. your most recent audited accounts
4. your most recent management accounts
5. your current business plan

**Marketing capability**

1. What is your current approach to marketing your savings accounts and what marketing resource do you have available?
2. How would you reach out to new savers as part of the prize-linked savings pilot?
3. How many new members have you reached in the past year?

**Diversity of credit union**

1. Where are you based and what is your common bond?
2. How many members do you have?
3. Are you a member of a trade body or sector organisation? (e.g. ABCUL, NCUF, BSA, UKCU)

**Further information**

1. Is there any other information you would like to provide or that we should be aware of which could affect your application? (e.g. experience of running a similar scheme; any regulatory breaches)

**Contact details**

1. What contact details should we use for communicating about the pilot?

Name:

Role:

Email address:

Phone number:

**Application submitted by:**

Name:

Role:

***On behalf of***

Credit union:

For information on how HM Treasury collects, holds and uses your personal information, please see: <https://www.gov.uk/government/organisations/hm-treasury/about/personal-information-charter>