

UW Credit Union: Refuses to hear from members on forced arbitration

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UW Credit Union Refuses to Hear From Members on Forced Arbitration

Yesterday, the UW Credit Union board and management attempted to clamp down the growing unrest of member-owners by refusing to answer questions or allow members to address the board or each other at the credit union's annual meeting of the membership.

University of Wisconsin Credit Union (UWCU), headquartered in Madison, is a \$4.2 billion cooperative bank, owned democratically by its 293,000 member-owners. Credit unions, by law, are required to hold an annual meeting for their membership where member business is conducted, including the election of the board of directors.

Member-owners have been up in arms since May 3rd, when UWCU sent a letter to each owner informing them that, unless they opted out by physically mailing a letter to the credit union before June 2nd, they would be agreeing to waive their future rights to bring a case to court against the credit union or join a class action lawsuit.

“I mean, how many people read that letter?” said Patrick O’Connor, a Madison consumer and civil rights attorney and UWCU member-owner. “There was no email sent to us, no notice on the website or secure message, just this one letter. And there was no electronic means provided to opt out – you couldn’t just send an email saying ‘Nope.’ So in the middle of the pandemic, you’re going to waive all your rights to the courts in the future, unless you go get a stamp. It’s hard not to think that they’re counting on most people not doing that.”

The result was the forming of a new group, “Concerned UWCU Member-Owners”, that came together on Facebook to urge other member-owners to opt out of the arbitration agreement. The group then started a petition to the board to better account for the decision and ultimately to reverse it.

Those members were among the 25 that attended the annual meeting yesterday, hoping to address the board directly with their concerns. UWCU Chief Legal Counsel Jon Bundy had told several members over email that the board would answer questions following the meeting.

“It was outrageous,” said Dane County Supervisor Heidi Wegleitner. “We, the owners of this business, have substantive concerns with this change of direction that we wanted to address with the board and with each other. But instead of engaging with us or even letting us speak, they just gaveled in, gaveled out, and ran away.”

Members who joined the annual meeting, held by video conference, were told that they would be kept on mute during the remarks by CEO Paul Kundert and board chair Steven Rick, but that they would be unmuted during a question and answer period following the 30 minute meeting.

“They unlocked the mute button for about six seconds, then I guess thought better of it and relocked it,” said O’Connor. “They even disabled the chat.”

Jake Schlachter is executive director of We Own It, a nonprofit that supports member-owners to organize to protect their rights within their co-ops and credit unions. He’s also a member-owner of UWCU.

“What’s terribly lacking is any transparency or democratic accountability,” says Schlachter. “Now we’re asking the board to call a special meeting of members to discuss this issue and allow us to vote on it. If it’s in our best interest as owners to waive our rights, then let us be the judge of that. We own it.”

The group is holding an online emergency information session for members about the need to opt-out before the changes take effect next week. It will be held Friday, May 28th, from 1pm to 1:30pm. Concerned members can register as well as sign the petition to UWCU at <https://bit.ly/UWCU-petition>.

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We Own It: The national network for cooperative member rights, education, and organizing

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