

Money Makes Change

Charity Bank Accounts

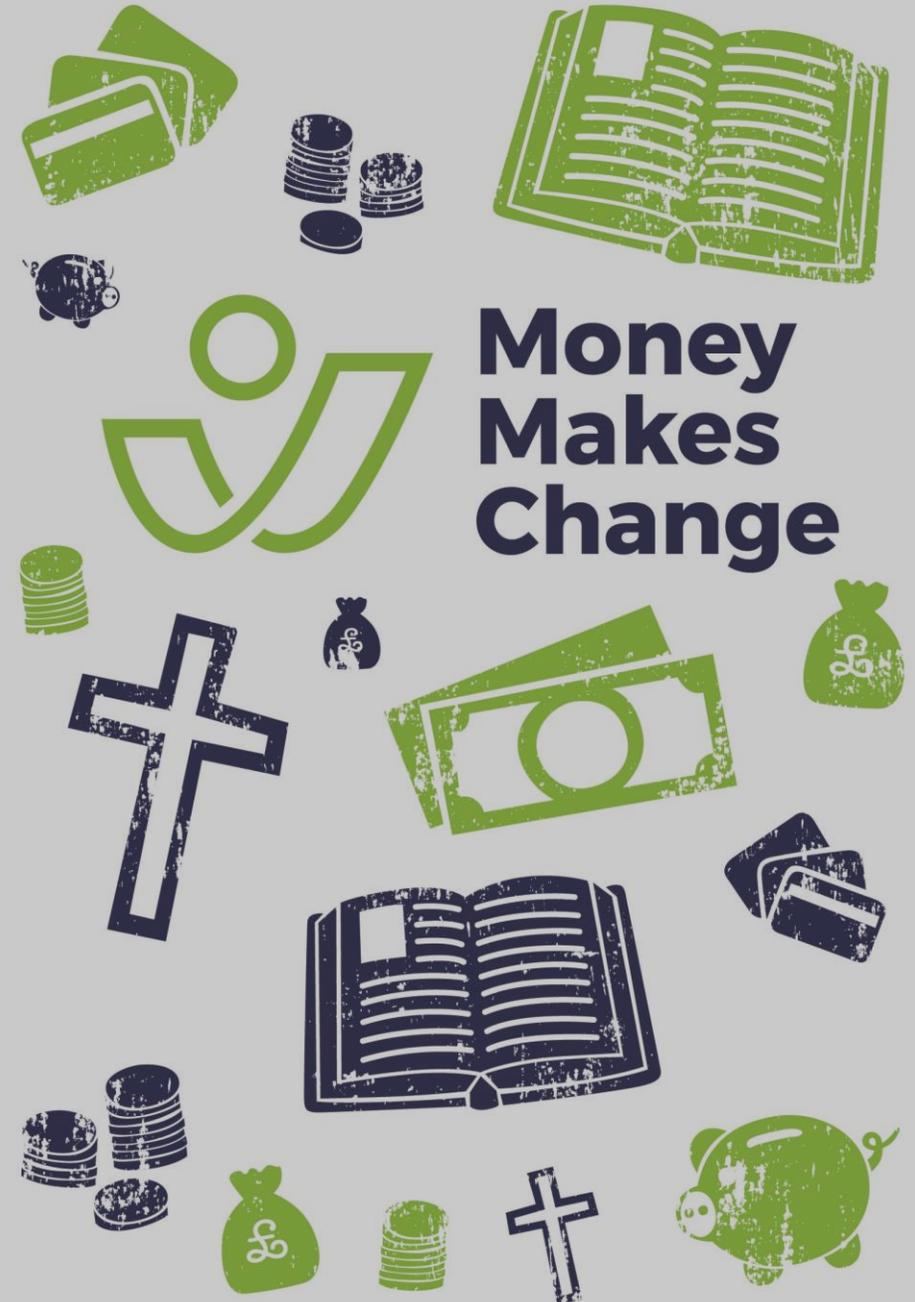
For use by charities & churches

An analysis of 5 of the more ethical options

DISCLAIMER

Money Makes Change aims to help Christians explore ethical issues surrounding their finances. It does not, however, involve the provision of financial advice. In addition, the programme does not recommend or promote specific investment or debt products to individuals or institutions. Any reference to such products or services is by way of example only. None of the information contained within this document is intended to be, or should be interpreted as, a recommendation or promotion, either implied or expressed, to make any specific financial or investment decision. If you wish to receive advice please consult a qualified and independent financial advisor. ECCR cannot accept responsibility for any specific financial or investment decisions made by any individuals during or following participation in its programmes.

Information correct as at February 2020



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Money Makes Change is an ECCR programme

Analysis of 5 charity current accounts



- ▶ We have selected five commonly used charity accounts, suitable for use by most churches.
- ▶ We have excluded the big 5 banks for ethical reasons – they are consistently ranked at the bottom of Ethical Consumer's ratings tables (subscription) and the Good Shopping Guide (free) and have therefore been discounted from our analysis.
- ▶ We have compared the accounts across a number of categories (e.g. fees, physical branches, card availability). We've then looked at the ethical credentials of each bank. You may also want to consider the security performance of each bank if you are accessing the account via the internet.



Owned by the Charities Aid Foundation (CAF), all profits are reinvested to help fund CAF's work, supporting the charitable sector.

UK subsidiary of a Dutch bank, established in 1980. Well known and respected for its ethical credentials. Rated #1 by Ethical Consumer..



Launched in 1984, they focus on serving the needs of charities, local councils, social enterprises, co-operatives, voluntary organisations and credit unions.



Part of the Co-Operative Group, the only bank featured with a high street presence. Prides itself on a customer-led Ethical Policy.



Owned by the Salvation Army, they give up to 75% of profits to Salvation Army International. Following a change in ownership in 2018, they rebranded in 2019 to reflect the bank's renewed commitment to socially responsible banking.

Features of each account



	Triodos Bank	CAF Bank	unity trust bank	The co-operative bank	RELIANCE BANK
7 day switch guarantee	✓	✗	✓	✓	✓
Physical branches	✗ Offer services to deposit cash & cheques	✗ Pay in cash & cheques at HSBC, RBS or Post Office	✗ Pay in cash & cheques at Natwest, RBS or Post Office	✓	✗ Pay in cash & cheques at Lloyds, Barclays, HSBC or Bank of Scotland
Fees	✓ Pay per transaction	✓ £5 per month	✓ £6 per month	✗	✓ Free for first 6 months if criteria met
Card facilities	✗	✓	✓ Partnered with Lloyds to deliver card facilities	✓	✓
Internet banking & dual authorisation	✓	✓	✓	✓	✓
Interest paid	✓ On balances > £5k	✗ Link to easy access savings	✗ Link to easy access savings	✗ Link to easy access savings	✗ Link to easy access savings

For Ethical Considerations, see next slide

NOTE: All 5 banks are covered by the Financial Services Compensation Scheme (FSCS) which protects £85,000 per depositor per bank

Ethical considerations



Ethical Consumer Score

16/20

14.5/20

14/20

7/20

Not rated

Ethical Consumer is the UK's leading alternative consumer organisation and since 1989 has been researching and recording the social and environmental records of companies. In rating the banks, they look at the types of companies the banks are investing in and loaning money to, whether they pay their fair share of tax and their company ethos and ethical policies, giving them a score out of 20. You can read their report on current accounts for charities [here](#).

Who do they invest in? What is your money enabling?

Triodos only finance projects & organisations that have a positive impact on society, culture & the environment (usually charities & social enterprises). They publish details of all companies they lend to.

Owned by the Charities Aid Foundation so exist for charitable purposes. All profits are reinvested to help fund CAF's work supporting the charitable sector. . They only lend money to charities & not-for-profit organisations.

They only lend to organisations that are committed to economic, community and social change. The remainder of their funds are in long-term debt securities.

They don't provide services to organisations which don't meet their ethical policy (negative screening), however don't actively seek out those generating positive impact.

Owned by the Salvation Army, they give up to 75% of profits to Salvation Army International. They also prioritise lending to organisations delivering positive social impact in the UK.

Fair Tax Mark



Living Wage Employer



In summary



- ▶ While the majority of banks presented don't have a physical presence on the high street, they all offer alternative ways to deposit cash and cheques (usually by partnering with those that do).
- ▶ With the exception of the Co-op, all banks charge a fee for their accounts. (Although Co-op's business card does have a monthly fee of £2 a card).
- ▶ With the exception of Triodos, most banks offer a debit, credit or business charge card. Although Triodos doesn't currently offer this option, it is possible to hold a credit card with another organisation, in conjunction with a Triodos bank account.
- ▶ They all offer online banking services with dual authorisation when making payments.

This analysis should not be relied on as financial advice. Charities and churches will need to consider what bank best meets their needs as an organisation. We recommend looking at each of these criteria and ranking them in order of importance to you. There may be a trade-off (e.g. fees with ethical credentials), but this will help you decide what is most important to you.

