



CHARITY COMMISSION
FOR ENGLAND AND WALES



To All UK Bank Chief Executives

Date: 15 November 2023

Dear all,

Charity Banking Access and Customer Service

We are writing to the UK's main high street banks to request your urgent action to help hard-pressed charities.

Charities are on the frontline of the current cost-of-living crisis, providing vital support to people across the country at this challenging time. Many charities are themselves facing financial difficulties. The current stresses for charity trustees are heightened by avoidable frustrations at the availability of bank accounts and substandard service from banks.

Charity trustees are obliged by law to account for the money they raise and the funds they distribute. Adequate banking provisions and control over cashflow are critical to robust financial governance procedures, and that underpins the sustainability of the sector.

Charities need banking providers to support them in ensuring funds are appropriately and transparently managed. If inadequate provision drives charities to rely on unsafe practices – such as trustees using their own bank accounts, or keeping large cash reserves unsecured – public trust in charities may become eroded. Those impacted most tend to be smaller local organisations. These issues are of concern to us as charity regulators and should be of concern to banks.

From our work with charities, we know that they are:

- Having accounts closed or suspended suddenly for long periods of time
- Facing a reduction in bespoke banking services
- Experiencing poor customer service and administrative delays
- Finding that online banking is not designed to match the way charities operate

There is much more that banks could be doing to make this easier for charities. Thankfully, some work is underway – there has been worthwhile dialogue through UK Finance and its charity and community banking project, which we as charity regulators have supported. Through the project, we are working together to improve information for charities to help them better interact and understand

what is required. However, banks need to do far more to step up training and customer service, or the community banking project will not address the challenges faced by charities.

In our view there are solutions that you as banking providers should take forward:

- The process for setting up a charity bank account could be made more straightforward and how to support charities could be better explained to banking staff, recognising that it is in all our interests to safeguard donated funds, and to support charities to prioritise meeting the needs of their beneficiaries.
- Training materials would ensure bank staff are aware of the different charity structures and how they are governed, so they request correct documentation and prevent avoidable delay driven by misunderstanding within banks.

There is little more that we as regulators can do. The action needed can only happen with support and leadership from UK banks. Working with charities is key to acting as a responsible business within our society, and the best way that banks can do so is by streamlining services to help charities operate in a way that does not create serious governance issues for them.

As accomplished professionals in financial services, you will know well about operating in a regulated environment. It's now time for banks to support charities to do the same.

Yours sincerely,



Helen Stephenson
Chief Executive, Charity Commission for England and Wales



Maureen Mallon
Chief Executive, Office of the Scottish Charity Regulator (OSCR)



Frances McCandless
Chief Executive, Charity Commission for Northern Ireland