



Leading the way
for charity finance

Charity Banking Challenges 2024



CFG in partnership
with Civil Society
Group and NCVO



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Acknowledgements

This report, and the survey data on which it has been based, is the result of a collaboration between charitable sector infrastructure organisations and, specifically, their members of staff working on policy and communications. Our thanks and appreciation goes to every member of the collaborative group on banking, past and present.

We are grateful for the approach our sector's regulators have taken to this work: the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator, and the Charity Commission in Northern Ireland. Colleagues from the regulators have been engaged in conversations about this report and consider that the issues raised are critical and need resolving. We welcome the efforts that the regulators have made to raise awareness of the risk and governance issues facing charitable organisations through challenges in the banking system, particularly in writing to the chief executives of many financial institutions and engaging with their counterparts at the Financial Conduct Authority, where staff have also been willing to listen.

We also want to thank colleagues at many retail banks offering accounts to charitable organisations. They are willing to listen to the issues we are raising and are working within their own organisations to help improve the landscape for charitable organisations. We hope that when we run a similar survey in early 2026, the results will show those efforts having an impact.

Finally, we thank every single respondent to our survey. We understand many of you are volunteers and that all of you have competing pressures for your time. Thank you for the gift of some of that time and for sharing your experiences, to help everyone understand there's still a great deal to be done, to improve charitable organisations' access to banking services.

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Executive summary

Key statistics

Almost 2,000 people shared their experiences of charity banking challenges.

Respondents represented charities with annual income from under £10,000 to over £100m, with almost three-quarters having annual income below £50,000. Respondents represented charitable organisations focused on a wide range of beneficiary groups and activities, from across the UK, in urban, suburban and rural settings. The main challenges experienced were:

- Changing the mandate – 75% of respondents had experienced difficulties.
- Identification – 34% of respondents had to attend a branch in person, and many cited challenges in proving the identity of signatories or the organisation.
- Dual signatories or authorisation – over 500 respondents told us they did not have accounts with dual authorisation for transactions, despite this being recommended for managing risk and fraud prevention by charity regulators.
- Debanking – although having accounts frozen or closed had only affected 12% of respondents, this was a particular challenge

for charities operating overseas. Fear of debanking was also a factor in the stress experienced by charity trustees, volunteers and staff.

- Communication – numerous experiences indicated poor communication, largely on the part of banks and financial institutions towards their charity customers.

Key themes

The challenges fit into three broad themes: knowledge and understanding, communication, and a desire for less complexity.

Knowledge and understanding

Our research revealed high levels of frustration from many respondents about their experience of banking services for charitable organisations. However, we did find some evidence of customer satisfaction and good practice. Interestingly, this was not a picture of 'our experience with these banks is good' and 'our experience with these other banks is poor' but a mixed picture: some had a positive experience with their bank, while others had a negative experience with the same institution.

Many of the challenges that were identified stemmed from a perceived lack of knowledge and understanding among banking staff and within banking systems about charitable organisations, their different structures and forms of governance, and the ways in which charitable organisations operate.



...some had a positive experience with their bank, while others had a negative experience with the same institution.

Executive summary

We did identify issues with knowledge and understanding from some charitable organisations completing the survey. In some cases, respondents felt they did not have the knowledge or understanding to be able to respond appropriately to requests for information from financial institutions. This was primarily around know your client (KYC) processes, anti-money laundering (AML) and combatting the financing of terrorism CFT.

Communication

Communication is, at its heart, the exchange of information. Many of the narrative comments from respondents come under the theme of communication, and the experiences they have shared do not immediately seem to meet that definition. This theme overlaps with the previous one of knowledge and understanding. Building knowledge, and developing understanding, requires effective communication between financial institutions and their customers.

This works in both directions – customers need to communicate effectively with their banks, as well. However, it does seem that many of our respondents have tried to communicate with their banks but information and paperwork has been lost or not passed to the correct team for



...many of our respondents have tried to communicate with their banks but information and paperwork has been lost or not passed to the correct team for action...

action, or they simply feel as though they have not been heard.

Reducing complexity and providing explanations

If people know why information is being asked for, or what the information is intended to be used for, they have a much better chance of providing the correct information.

Reducing the complexity of processes and providing clearer explanations to charitable organisations and banking staff about what is needed and why, to pass along a process, should help improve customer journeys, reduce manual intervention on the part of banks and financial institutions, reduce the time, stress and cost on charitable organisations and make the system work better for everyone.

Recommendations

For banks and financial institutions

- Banks and financial institutions should improve knowledge and understanding of charitable organisations among their staff, especially those in customer-facing roles in branches and contact or customer service centres.
- Banks and financial institutions should create and maintain dedicated customer service teams to support queries about charity and community accounts, with the knowledge and information to respond appropriately.

Executive summary

- Banks and financial institutions should ensure that contact details for the dedicated customer service team are shared with all customer facing staff and customers holding charity or community accounts, so that queries can be directed to the right people, first time.
- Banks and financial institutions should work with their compliance and systems teams to adapt forms and information on charity and community accounts to reflect the language those organisations use, which would reduce complexity and the number of queries fielded by branch and contact centre staff eg replace 'profit/loss' with 'surplus/deficit', replace 'directors' with 'trustees'
- Banks and financial institutions should develop greater knowledge and understanding of charitable organisations' structures and governance models as a part of knowing your client'.
- Banks and financial institutions should review the information provided to charity and community account customers on Know Your Client (KYC), Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) to help recipients understand why these measures apply to every banking customer.
- Banks and financial institutions should review their communications with charity and community account holders to ensure these meet the requirements of the Consumer Duty.
- Banks and financial institutions should conduct a cost-benefit analysis on adapting automated systems to handle processed for charity and community accounts, taking into account the impact that current processes have on their charitable customers in terms of time, stress and financial costs.



Executive summary

For charitable organisations

- Charitable organisations should ‘shop around’ and consider their current and future needs when assessing potential providers of banking services.
- Charitable organisations should ensure they are adhering to good standards of financial governance.
- Charitable organisations should help their staff, volunteers and trustees who are involved in accessing banking services understand what their bank or financial institution needs from them, and understand the measures around KYC and AML/CFT. This should be supported by ongoing work from charity infrastructure organisations.
- Charitable organisations should ensure they understand the Consumer Duty and how it is being applied to their account(s) and relationships.
- Charitable organisations should ensure they know how to complain to their bank or financial institution, and how to progress unresolved complaints to the Financial Ombudsman.
- Charitable organisations should take positive steps to communicate with their bank or financial institutions, particularly when unusual or one-off activity is anticipated:
 - e.g. ‘We are expecting a significant deposit in the next few weeks. How do we make sure this does not cause a problem?’ ahead of a grant award or sale of an asset
 - e.g. ‘We will have a change of officers following our AGM and will need to change signatories, what do we need to do?’
 - e.g. ‘We want to send money overseas. What information do you need ahead of us initiating the transaction?’
- Charitable organisations should take steps to challenge their bank or financial institution when communication does not meet the requirements of the Consumer Duty, using the complaints procedure if necessary.



Banks and financial institutions should review their communications with charity and community account holders to ensure these meet the requirements of the Consumer Duty.

For regulators

- Charity sector regulators should continue to provide guidance and information for charity trustees and those with financial control over charitable organisations, as well as those managing finances, on the importance of using banking services effectively to support good governance, manage risk and protect against fraud.
- Charity sector regulators should continue to gather data on issues with banking affecting charities, sharing summary data with financial services regulators.
- Regulators for the financial sector should be alert to the challenges facing charitable organisations and take steps to require more effective communication by banks and financial institutions with this group of customers.
- The charity sector regulators and the financial sector regulators should continue to work together to support good governance, risk management and fraud prevention.



Banks and financial institutions should improve knowledge and understanding of charitable organisations among their staff, especially those in customer-facing roles in branches and contact or customer service centres.



Methodology

This research builds on the work carried out in 2022 which established a baseline for charity banking challenges.

The 2022 survey and report

With more and more anecdotes about charitable organisations facing huge problems in accessing banking services, Civil Society Group partners had been raising the issue with ministers and officials for some time.

In early 2022, the Civil Society Group secured a meeting with John Glen MP, then Economic Secretary to the Treasury, alongside representatives from the Charity Commission of England and Wales, UK Finance (the trade association for retail banks in the UK), and several of the retail banks. Charity Finance Group (CFG) attended the meeting on behalf of the Civil Society Group.

Following that meeting, Civil Society Group partners decided to run a survey, to capture a meaningful sample of data and build a comprehensive picture of the issues.

The survey ran from 31 March to 6 May 2022, asking charitable organisations to share their experiences of banking and challenges they had faced in the preceding 18 months. A total of 1,262 organisations responded.

Four key messages connected the experiences of respondents:

1. Services they needed were increasingly unavailable.
2. Services that were available were not well suited to the way charitable organisations operated.
3. Poor service was often encountered.
4. Online banking was not designed to meet the needs of charitable organisations, or accessible to them.

The findings from the 2022 survey were published in [Charity banking challenges: briefing no. 1 \(June 2022\)](#). This briefing paper was





During 2022 and 2023, Civil Society Group partners worked with UK Finance, the trade association for retail banks. This working relationship has continued into 2024.

shared with ministers, regulators, sector media and other stakeholders. The intention was to develop a series of briefings to explore issues in more depth; the massive challenges facing the charitable sector and the Civil Society Group partners due to the emerging cost of living crisis put these plans on hold.

ACRE (Action for Rural Communities in England) also published a separate report, focused on the experience of charities, voluntary organisations and community groups in rural areas, in June 2022. [Rural community organisations: access to and use of banking services](#) explored the additional challenges faced by those in rural areas, which have experienced high levels of bank branch closures as well as problems accessing online banking and other digital services due to the slower rollout and availability of reliable broadband connectivity in rural parts of the country.

In August 2022, MCF (Muslim Charities Forum) also shared concerns that, for their members, the situation was worsening, with CEO Fadi Itan reporting that [most of MCF's members were facing issues with banks](#), with some struggling to transfer money overseas and others unable to access any services at all.

Work with UK Finance

During 2022 and 2023, Civil Society Group partners worked with UK Finance, the trade association for retail banks. This working relationship has continued into 2024.

In summer 2022, UK Finance set up a project with Engine Partners to develop an online tool and guidance to help with account opening and management, in relation to products available to charitable and community organisations. Civil Society Group partners provided significant time and expertise as part of this work, which was unfunded. They worked to help ensure that the guidance was relevant and accurate, as well as identifying areas of potential confusion that needed to be resolved: for example, 'beneficiaries' and 'beneficial owners' have very different meanings to charities and financial institutions.

UK Finance's [Voluntary Organisation Banking Guide](#) was published in July 2024, providing information to charity volunteers and staff, as well as people working in banks and financial institutions. The Guide provides information on opening and operating accounts, as well as offering an '[account finder](#)' service.

The 2024 survey

Civil Society Group partners decided to run a second survey in 2024. By building a similar survey to that used in 2022, comparable data could be captured, with the aim of understanding whether challenges from 2022 had been resolved or worsened, and if new challenges were emerging.

Methodology

The survey was published on 27 March 2024 and open for responses until 15 May 2024 (Appendix 1). A Welsh language version of the survey was also made available.

Civil Society Group partner organisations used their communication channels to promote the survey across the network and we are grateful to the regulators – Charity Commission for England and Wales, Office of the Scottish Charity Regulator, and the Charity Commission for Northern Ireland – for promoting the survey to their charity audiences.

In total, almost 2,000 people completed the survey on behalf of charitable organisations. Analysis of the raw data was carried out by colleagues from NCVO and CFG.

This report and other research

This report is one of three pieces of work on access to banking services for charitable organisations which are being published in autumn 2024.

A separate report into debanking is forthcoming from Muslim Charities Forum, the UK network for British Muslim charities working for social good in the UK and abroad. Through their network, MCF aims to collectively build a more accountable, transparent and efficient British Muslim charitable sector, in order to improve the ability of individual organisations, and collectively, to contribute to a more just and sustainable world.

Charity Excellence Framework, an information service primarily directed at small charities, conducted a [Community and Charity Bank Accounts Survey](#) on bank account satisfaction, and published the results on 30 October 2024.





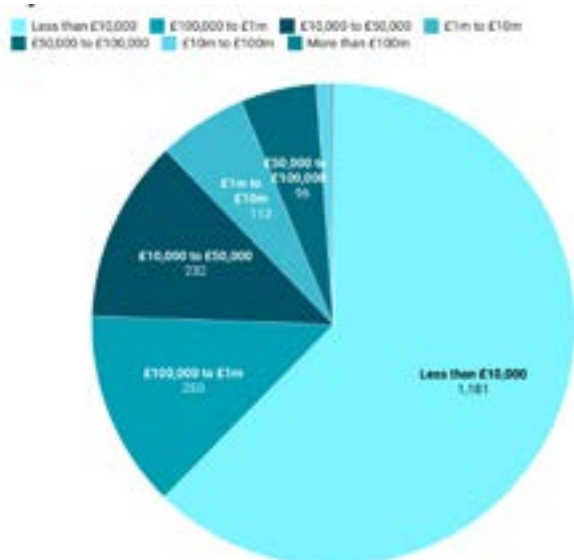
Our respondents

The survey was completed by 1,899 respondents, with a further eight people completing the Welsh language version. In total, we heard from 1,907 people about the experiences of their charitable organisation in relation to banking services. Many people had experience with more than one charitable organisation.

The organisations

By annual income, we received the following responses:

Proportion of respondents according to size of organisation (%)



Nearly 80% of responses were from organisations with annual income of less than £100,000, with 62% from organisations managing with less than £10,000 each year.

Responses came from organisations with a wide range of legal structures:

Legal form of organisation	Number of respondents
Excepted charity (for example, a Scout or Guide unit)	945
Charitable company (limited by guarantee)	378
CIO or SCIO	208
Unincorporated organisation	122
Trust	69
Exempted charity	74
Community Interest Company (CIC)	39
Unknown	44
Social enterprise (company limited by guarantee)	14
Parish or community council	4
Place of worship	6
Charity incorporated by Royal Charter	6

The range of legal forms highlights one of the areas which creates a challenge for banking services: there is not a homogenous 'charity' legal structure. This makes a 'one size fits all' approach to due diligence on governance inappropriate and almost guaranteed to give rise to difficulties. Charities' legal forms, charity status and charity registration are not interchangeable. [NCVO provides a helpful explanation on the distinctions between these elements.](#)

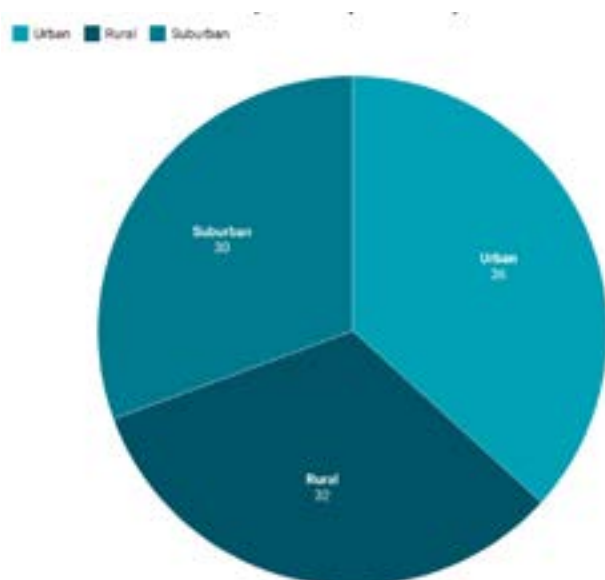
Our respondents

Turning to geography and setting, we asked the respondents to tell us where they operated, selecting more than one option if appropriate. Some respondents covered more than one area. The following tables show the data in numeric and percentage terms.

Area of operations among respondents	Number of respondents	Proportion (%)
UK wide	350	14
England	320	13
Scotland	270	11
England - South East	242	9
England - South West	159	6
Wales	158	6
England - East of England	147	6
Northern Ireland	135	5
England - North West	127	5
England - Yorkshire & the Humber	122	5
England - North East	113	4
England - West Midlands	108	4
England - London	100	4
England - East Midlands	92	4
Overseas	79	3
Northern Ireland & Republic of Ireland	32	1

As well as their geographical area, we also asked about the type of area where the respondents operated:

Communities served (%)



Our respondents

Moving on from where the respondents operate to what they do, respondents told us about the primary focus of their organisations. The following table shows the top 10 areas of focus. A full analysis is provided in Appendix 2.

Top 10 areas of respondents organisation focus	Number
Youth services	919
Community development and social infrastructure	213
Families and children	90
Education (not including employability services)	90
Arts and culture	80
Health (including mental health and public health)	80
Faith	68
Sport and leisure	54
Disability	48
Environment, nature, and/or climate change	44

Our respondents

How does the sample compare to the charitable sector across the UK?

Certain aspects of the sample's representativeness are worth noting. [The UK Civil Society Almanac](#), provides detailed quantitative data on the charitable sector and the organisations there in, across the UK.

Compared to the Almanac data, in the responses to the Charity Banking Challenges Survey 2024, Scotland and Wales are slightly overrepresented in terms of operational location. Youth service organisations are notably overrepresented, as are small organisations with incomes under £10,000.

The people responding

We wanted to understand who was completing the survey, on behalf of the organisations they were involved with, and asked them about their roles.

The responses came from charitable organisations of all forms and sizes but the vast majority were from small organisations, with annual income of less than £1 million. The vast majority of people completing the survey were trustees or other volunteers. The remainder were members of staff, working for their organisation in governance, management or administration roles.

Role of respondents (%)



Why does this matter?

We want to draw attention to the administrative impact on trustees and other volunteers that managing banking is having. When people volunteer for their local youth group or sports club, for instance, it's likely they envisage they will be donating their time to support young people or planning sports training and fixtures.

If they are trustees, the other members of the board will have made sure they are aware of their governance role and legal responsibilities. But it's unlikely that they will be volunteering to take on lengthy and complex communications and administration around their organisation's bank accounts.

Our respondents

According to the [UK Civil Society Almanac 2024](#), slightly over a quarter (27%) of people in England, aged 16 or over, volunteered formally with a group, club or organisation at least once in 2021/22. 26% of people (12 million in England, 14.2 million in the UK) did so at least once a month. Looking at the data for England, almost half of formal volunteers say they are motivated to do so because they want to help people/improve things, followed by a personal connection to the cause.

When it comes to having paid staff, [data shows that around two-thirds of charities registered in Scotland do not employ any members of staff](#) but are entirely run by volunteers, including trustees. We have not found similar data to illustrate the situation in England, Wales and Northern Ireland. However, the UK Civil Society Almanac 2024 states:

- In December 2023, more than half (53%) of voluntary sector employees worked for organisations with 1 to 49 employees – of those, a quarter (25%) of employees worked for micro-organisations with between 1 to 10 employees.
- Another 28% of employees worked for organisations with 50 to 499 employees.
- [Only 10% of people worked for large organisations, with over 500 employees.](#)



I came very close to quitting last autumn due to the abysmal, hugely time-consuming and threatening customer service we received.

Reliance on volunteers and trustees for the day to day operation of charitable organisations is widespread across small and micro charities, with annual income below £1m. So the impact on trustees and volunteers of managing banking activities is important to understand.

As one respondent said:

Getting answers to queries on line or by phone is difficult. There's often a long wait and the answer (say about adding a signatory) has often turned out to be incomplete and so you have to go through the process again.

Another said:

We are a small community group [for children], and I spend many hours running the sessions, and doing admin around the edges. It's a joy to work [with the children], but I came very close to quitting last autumn due to the abysmal, hugely time-consuming and threatening customer service we received.

A third example:

As a volunteer in a charitable organisation we find we are devoting a lot of time and energy to ever-changing and fiddly banking requests and complicated forms which SEVERELY impacts our willingness to give that volunteer time to supporting our young members... Having to rely on the good nature of volunteers and their time to jump through the banking protocol hoops just to access our own (painstakingly earned) low funds is really taking its toll on the volunteer goodwill.

Our respondents

Trustees take on additional responsibility in their voluntary role. As described in [The Essential Trustee](#):

'Trustees have independent control over, and legal responsibility for, a charity's management and administration. They play a very important role, almost always unpaid, in a sector that contributes significantly to the character and wellbeing of the country.'

Trusteeship can be rewarding for many reasons - from a sense of making a difference to the charitable cause, to new experiences and relationships. It's also likely to be demanding of your time, skills, knowledge and abilities.'

There has been a range of research over recent years into trustee recruitment and retention, with the most [recent report published by NCVO in early November 2024](#). They found that among the charities they gathered data from, 4 in 5 charities across England and Wales have at least one vacancy on their board, with over half having two or more vacancies. NCVO's results show that board vacancies have multiple effects on organisations and individuals.

- 60% of charities say board vacancies are preventing them from developing as an organisation.
- 4 in 10 (43%) say vacancies are limiting their ability to follow good governance practices.
- A third (35%) say vacancies are limiting their ability to make effective decisions.

The biggest barrier preventing people from serving as trustees was the time required, and 37% of people said that reducing the burden on trustees would help with trustee retention.

Improving the access to and operation of banking services for charitable organisations would contribute to reducing the pressure and stress on trustees, and in turn aiding trustee recruitment and retention.





Having to rely on the good nature of volunteers and their time to jump through the banking protocol hoops just to access our own (painstakingly earned) low funds is really taking its toll on the volunteer goodwill.



Themes

The main themes emerging from the report are:

- The need for improved knowledge and understanding
- The need for improved communication
- The need to reduce complexity and provide explanations

In this section of the report, we analyse the experience of challenges, and how these experiences contribute to these themes.

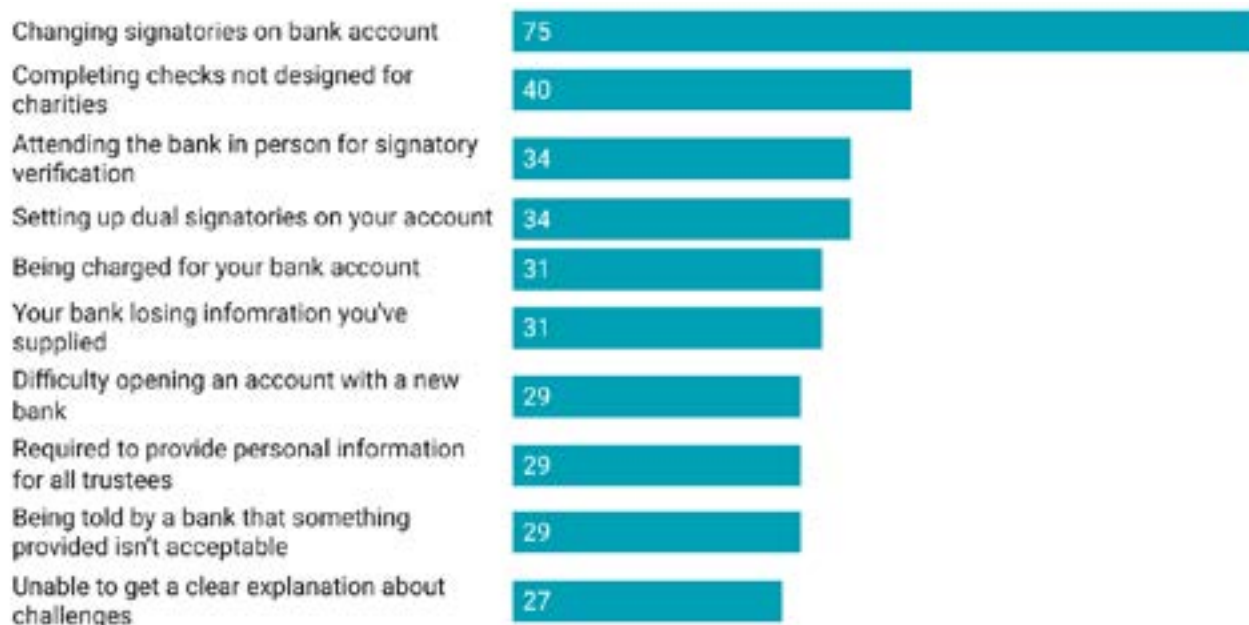
What kind of challenges have been experienced?

1. Changing the mandate
2. Identification
3. Dual signatories or authorisation
4. Other administrative challenges
5. Debanking
6. Communication

Participants of the survey were asked what banking challenges they had experienced in the last two years. A significant 92% respondents reported having experienced one or more issues related to banking. Charities operating across rural, suburban, and urban settings faced similar challenges, suggesting that these difficulties are widespread and systemic across different geographic settings. The most common challenges can broadly be put in two overlapping areas: administrative problems, and communication challenges, often arising from banks' insufficient understanding of how charities are structured, governed, and managed.

The table below provides a detailed breakdown of the banking challenges reported by respondents who experienced one or more issues, highlighting the 10 most frequently cited challenges.

Top 10 most common banking challenges faced (% of respondents)



Themes

Changing the mandate

The most frequently reported issue relates to the process of adding or removing signatories on bank account mandates, with 75% of respondents indicating that they have faced this problem. The mandate on a bank account is the document which sets out who owns the bank account, who can operate the account, and who can access information about the account.

For a charitable organisation, the mandate would set out that the organisation owns the account. It will show who is an authorised signatory on the account and whether transactions can be authorised on just one signature, a number of signatures or all signatures. It will also specify who can have access to information, which could include the organisations accountants or auditors as well as the signatories.

The governance of many charities necessitates regular changes in signatories, as new trustees – who frequently serve as signatories – are typically appointed at annual general meetings. Some organisations will require a proportion of their trustees to step down each year, adding to ‘churn’. Charities may also have members of staff as signatories on their account, and again,



We have been trying without success to change signatories on our account since Covid. Previous signatories are no longer involved but still having to drag them out of retirement to sign cheques.

if those members of staff leave or new members of staff join in roles with authority to access the accounts, the mandate will need to be changed.

As a result of difficulties changing mandates, outdated signatories may remain on bank accounts, posing a significant risk to the organisation’s financial security. Since trustees serve on a voluntary basis, the time-consuming procedures involved in updating signatories are particularly burdensome for individuals who may also have full-time employment, or caring or other responsibilities which require their time. The length of time taken to enact changes can also be a contributing factor to trustees remaining in role, particularly when this takes months.

For charities with paid staff, spending a great deal of time on what should be straightforward banking administrative tasks is an inefficient use of resources.

One respondent said:

We are currently in breach of our organisation’s financial safe guarding guidelines. We have been trying without success to change signatories on our account since Covid. Previous signatories are no longer involved but still having to drag them out of retirement to sign cheques.

Another example given during spring 2024:

To change a mandate and remove one person and add two more signatories and change the address of the person receiving bank statements started in June 2023 and is still ongoing although we are almost there I HOPE!!

Themes

Dual signatories or authorisation

A related issue is the difficulty in establishing dual signatories on accounts, with 34% of respondents reporting problems in this area. Dual signatories or authorisation is a recommended financial control for charitable organisations.

[The Charity Commission of England and Wales states:](#)

Internal financial controls are important. They are essential checks and procedures to help you:

- protect your charity's assets, including its money and property
- make informed decisions about your charity's financial position
- meet your legal duties, for example to manage your charity's resources responsibly
- Fraud and financial mismanagement can happen at any charity. Using suitable internal financial controls helps your charity:
- identify and manage risks with its finances and assets
- keep good quality accounting records
- prepare timely and relevant financial information
- make sure its financial reporting complies



A related issue is the difficulty in establishing dual signatories on accounts, with 34% of respondents reporting problems in this area.

- with the relevant legal requirements
- Mismanaging your charity's finances or assets can damage:
- your charity's financial viability, with consequences for how it delivers its services
- your staff and volunteers' morale
- your charity's reputation
- public trust and confidence in charities

[When it comes to banking](#), the Charity Commission says that charities should 'require dual authorisation to set up or change any bank mandate. The second person authorising any changes to the bank mandate should be a trustee.' This is to ensure that no one person has exclusive access to or control over charity funds.

In relation to online banking, the Charity Commission says charities 'should use a dual-authorisation system for your bank or building society accounts. Many banks and building societies provide this. It allows one person to create a payment request and another to authorise it.

The Office of the Scottish Charity Regulator has similar guidance for charities, stating that 'cheques should have a minimum of two signatories to make sure that it is not just one person who can make payments.'

In respect of digital banking, [OSCR says](#): 'It can be more difficult to develop tight financial controls for bank transfers as access may be restricted to a single log in. You should consider making a rule that two people have to be present when large transactions are being processed. Some banks allow charities to provide more than one person to authorise payments (dual authority). You should ask your charity's bank for details of their dual authority options so that you can consider what is right for your charity.'

Themes

Identification

More than one-third (34%) of respondents report being required to attend the bank in person for signatory verification. This is highly inefficient and finding the time to go to a bank branch can be challenging or impossible for volunteers, particularly for organisations that recruit trustees from across the UK. Since 2015, [more than 6,000 bank branches have closed](#), making this an even more difficult task.

We also heard about confusing and sometimes contradictor information from financial institutions in relation to verifying identity.

We heard from one respondent:

We've filled in a silly number of forms after visiting branch, had to run around getting signatures and copies of ID, to find out they were the wrong forms when returning to branch and being given another set to fill in!

Another said:

[Bank] asked us to complete a form to confirm our identities and for money laundering purposes. Most of the questions didn't apply to our situation. Every time we answered one query, they asked something else. It took 4



One-fifth (22%) of respondents also reported difficulties in finding a bank willing to accept a charity as a new customer.

months to resolve, during which time I had to take 3 days holiday from work to phone them or visit the branch as the out-of-hours customer services department couldn't help. Throughout this time, the bank kept threatening to freeze our account if we didn't reply within a week. It was hugely stressful... if we need cash we have to go into the branch (during working hours - another days holiday for me) taking identification & a signed letter from our second signatory authorising me to collect the cash.

Debanking

Respondents report having had their bank accounts permanently closed (7%) or had their access to funds completely removed, for example, by banks freezing accounts or cancelling debit or credit cards (12%).

Additionally, some charities have consequently, been unable to open an account due to the organisation being deemed 'high risk' or because of specific charitable activities, e.g. sending money to conflict zones or campaigning for particular causes. One-fifth (22%) of respondents also reported difficulties in finding a bank willing to accept a charity as a new customer.

This comment demonstrates the frustration in not knowing why there is a problem:

I found it very difficult to find a bank that would accept our account. [Two banks] both refused. Although they were not explicit about why, it was hinted that our work in Sierra Leone was 'a problem'.

Themes

Communication

Communication on the part of financial institutions was also cited as a significant challenge. Over one-quarter of respondents (27%) noted that they have been unable to obtain clear explanations from their banks regarding the issues they encountered. Over one-fifth (20%) of respondents also reported having felt worried or threatened because of communications received from their bank.

One respondent shared with us:

Repeated letters emails and texts threatening possible closure of the account if their queries are not answered by a certain date, when the queries have already been submitted but not been dealt with by the bank.

The lack of banks' understanding of charities is also highlighted in the reported issues of charities being told that something they have provided to a bank is not acceptable (e.g. a founding document) despite that it complies with charity regulations. More than one-quarter (29%) of respondents stated having encountered this issue.



Among those charities operating internationally, one-quarter (25%) reported difficulties in transferring funds from their UK bank accounts to overseas accounts.

Similarly, one-quarter (26%) of respondents reported having been asked to provide documentation that either does not exist or is impossible to procure, such as a 'certificate of registration'.

Although less frequently reported, some challenges relate to charities' access to funds and pose a more direct threat to organisations' abilities to operate effectively. Among those charities operating internationally, one-quarter (25%) reported difficulties in transferring funds from their UK bank accounts to overseas accounts.

This percentage rises to three-quarters (75%) for charities involved in international development work. Such barriers significantly hinder the operations of charities working in global contexts.

It feels as though many of the administrative challenges encountered by our respondents could be resolved with clearer communication. Explaining not only the information required by also why it is required would help people to understand the process. Setting out details, where this will not increase a risk of fraud, about the banks' internal processes and likely timelines would also help.

For example:

- We are asking for xxx information
- This is in order to xxx
- When we receive your information, it will be checked by xxx team against other records we hold
- We may also refer to other sources of information to verify
- We will then xxx
- We will let you know when we have completed this process which usually takes xxxx working days.

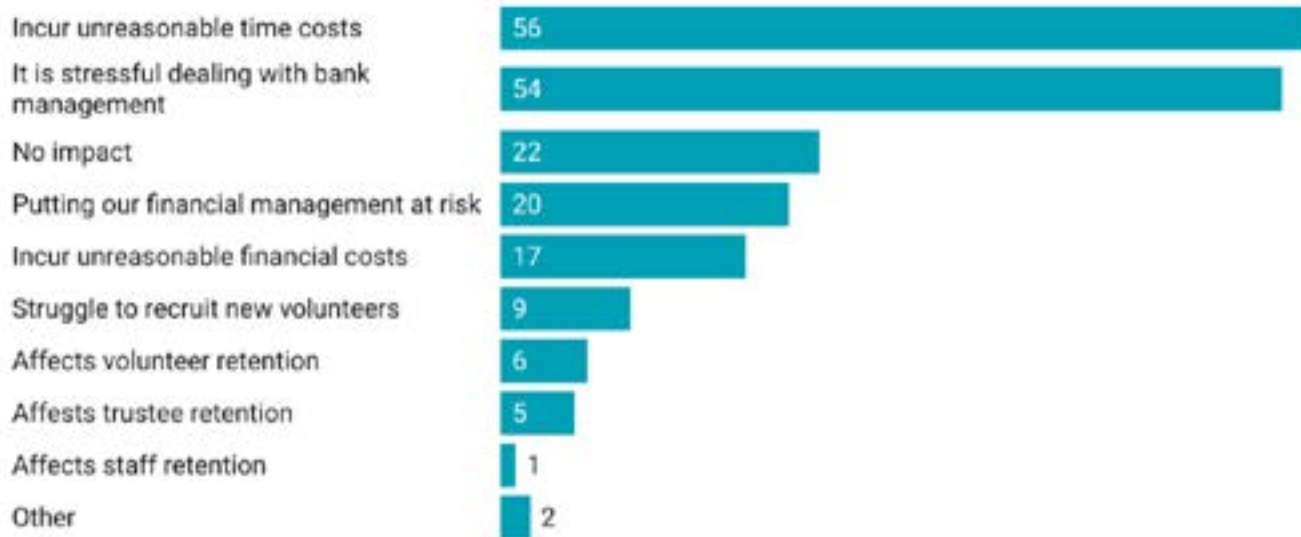
Themes

Impact: Time, stress and financial cost

The time and financial costs of dealing with banking are having an adverse effect on many charitable organisations, according to the respondents to our survey.

Over half of the respondents find managing their bank accounts stressful and the time needed to manage them unreasonable. One in five respondents (20%) said that they felt their financial management was at risk.

Impacts of banking challenges (% of respondents)



Themes

A substantial 56% of respondents reported incurring excessive time costs while attempting to access basic banking services. Notably, 12% of respondents stated that they spend more than three hours per week on banking-related tasks, while 27% reported spending between one and three hours weekly on these activities. In addition to time-related burdens, 17% of respondents indicated that they had incurred unreasonable financial costs in order to access banking services.

54% of respondents emphasise the stress involved in navigating the requirements of setting up and maintaining their bank account. This stress is likely exacerbated by the aforementioned lack of understanding from banks regarding the operational structures of charities, contributing to frequent miscommunications and procedural inefficiencies.

This is illustrated by one respondent:

It is stressful trying to comply with the bank's requirements. I feel that we are an unwanted customer and that the account could be closed at a moment's notice.



It is stressful trying to comply with the bank's requirements. I feel that we are an unwanted customer and that the account could be closed at a moment's notice.

Of particular concern is the fact that nearly 20% of respondents reported having had to compromise their financial management practices in order to continue their operations. This includes resorting to measures such as using personal funds or accounts, or keeping cash on hand at home, which exposes the organisation to increased financial risk.

Here is one example from our respondents:

We'd really like a debit card to buy resources... at the moment we buy everything through our personal accounts and claim the money back using cheques from the account. This creates more admin trying to administer this and ... can mean a volunteer being out by several hundred pounds at a time.

Another person said:

...we are now having to either store cash on premises or lodge to a personal account and write a corresponding cheque from that personal account into the charity account to cover the lodgement, which is both ridiculous and against all safe banking principals, but we have no choice! Hopefully the bank will sort this out quickly – our nearest branch is 2 bus rides away and will take hours each week.

Banking challenges have also adversely affected the recruitment and retention of staff, trustees, and volunteers within the charitable sector. Many respondents reported difficulties in recruiting and retaining trustees and volunteers, with a significant number stepping down due to the persistent banking issues faced by their organisations.

Themes

In-person banking

The availability of in-person banking services remains limited across rural, suburban, and urban areas. Only 12% of respondents indicated that in-person banking services are readily accessible, while the remaining 88% reported that such services are either “somewhat available,” “not very available,” or “not at all available.”

The lack of access to in-person banking is especially pronounced in rural and suburban locations. In urban areas, 43% of respondents described in-person services as “not very available” or “not at all available.” This figure increases to 52% in suburban areas and rises further to 59% in rural regions.

Across rural, suburban, and urban settings, one of the main barriers to in-person banking is the limited availability of services due to branch closures and/or restricted operating hours. For many organisations, the physical distance to bank branches presents a considerable obstacle.



The three leaders all work full time and can't get to the branch together unless they take holiday from work, made more difficult as two leaders work in schools.

A notable 37% of respondents reported that their nearest bank branch is located between three and ten miles away, with most respondents indicating that it takes them 10 to 30 minutes to reach the closest branch. However, for nearly one-third of respondents, a single journey to the nearest branch takes between 30 minutes and one hour.

As highlighted by one respondent, this can create a serious challenge for charity organisations run by volunteers:

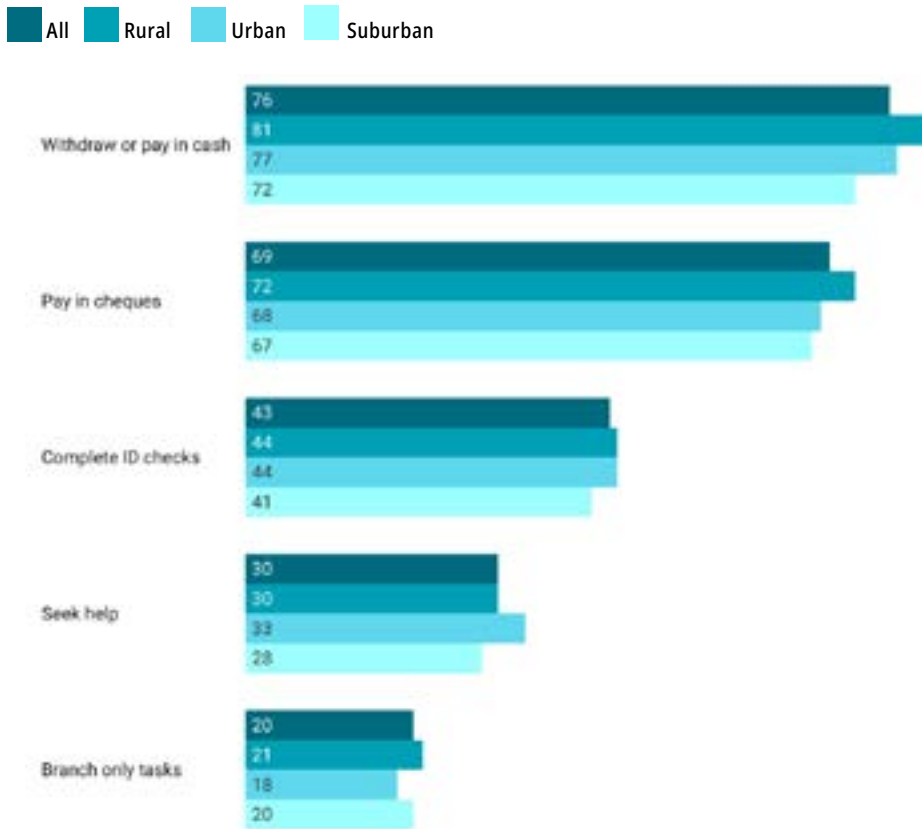
Local branch closed and now our nearest branch is a 40 min drive away and not open on a Saturday. The three leaders all work full time and can't get to the branch together unless they take holiday from work, made more difficult as two leaders work in schools.

The primary mode of transportation used to access bank branches is by car (69%), followed by walking (16%) and public transportation (13%). In rural areas, 84% of respondents rely on cars to reach a bank branch, compared to 70% in suburban areas and 54% in urban locations. This reliance on personal vehicles creates additional barriers, as not all charity workers or volunteers have access to a car, thus further complicating efforts to access in-person banking services.

Themes

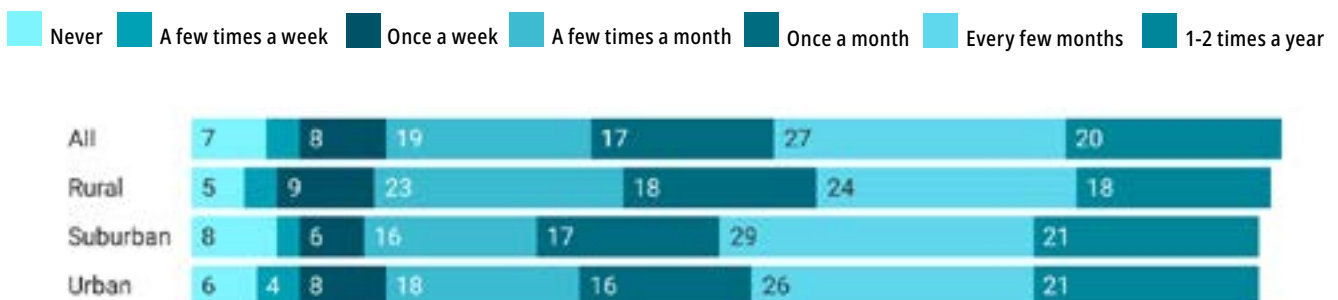
The reasons for using in person banking were similar across rural, suburban and urban organisations.

Most common tasks for in-person banking (% of respondents)



Patterns of frequency of user were also similar between rural, suburban and urban organisations.

Frequency of in-person banking (% of respondents)



Themes

Digital banking

Is digital banking needed? Is it used? What are the barriers? Analysis of the preference for and use of digital banking shows that across rural, suburban and urban areas there is a 2:1 preference for online banking over in-person banking, and a high level of take-up of digital banking. 81% of respondents stated that their organisation banks online.

Preference for online or in-person banking (% of respondents)



Does your organisation use online banking (% of respondents)



Themes

37% of respondents stated that their organisation has not experienced any barriers to using online banking.

Out of the barriers highlighted by respondents, the most common obstacle was banks not allowing dual signatories with online banking. Over one-fourth (27%) of respondents reported having encountered this as a barrier to online banking.

Furthermore, 23% of respondents remarked on the extensive time needed to set up digital banking which presents an obstacle for online banking.

The third largest barrier that was emphasised by respondents (16%) was service users and/or donors relying on cash and/or cheques which can only be cashed in person. This was the case for organisations across rural, suburban and urban classifications.

When things go wrong

When we asked about experiences of banking challenges, we also asked about what steps people took when things had gone wrong. We



We were without access to our funds for 30 days and our reputation with beneficiaries, volunteers, potential colleagues and suppliers has been damaged.

focused on two particular issues: understanding of the Consumer Duty, and complaints.

Survey respondents were asked about the awareness of the Consumer Duty. Despite the relevance of this standard for charities facing banking challenges, only 3% of respondents reported being aware of the Consumer Duty.

A further 14% had heard of the Duty but were not familiar with its provisions, while the remaining 83% had never heard of it. Familiarity with the Consumer Duty was consistent across geographical locations and between small and large charities.

When asked about respondents' experiences with filing complaints against their bank over the past two years, 64% indicated that they had not made any complaints. Of the organisations that had lodged complaints, 96% directed their complaints to their bank, while 4% escalated the issue to the Financial Ombudsman.

Among those who made complaints to their bank, only 43% reported that their issues were resolved to their satisfaction, while an equal proportion stated that their complaints had not been satisfactorily resolved. The remaining 14% of respondents indicated that their complaints were still in progress.

For organisations that made complaints to the Financial Ombudsman, 40% of these cases were still in progress. Only 26% of complaints were resolved to organisations' satisfaction, while the remaining third had not had their complaint resolved to their satisfaction.

Themes

We heard from one respondent:

We were without access to our funds for 30 days and our reputation with beneficiaries, volunteers, potential colleagues and suppliers has been damaged. Hours of our time has been taken up with trying to unpick the problems caused. Six months on, we are not back to 'business as usual'.

We raised a complaint with [bank] the day the account was closed and subsequently disputed the compensation offered for their mistake because it did not include compensatory interest for being without our funds (£48,000) for 30 days. When [bank] agreed this, the Senior Executive Customer Relations Manager

dealing with the re-opened complaint proposed to deduct income tax from the compensatory interest to pay directly to HMRC! I pointed out that as a charity we do not pay tax on income but he said the deduction was an industry-wide rule and not one that is enforced by the banks. The total compensation, reluctantly accepted by the trustees owing to the further work that would be involved in taking our complaint to the Financial Ombudsman, was £765.32. I did request a Statement of Deduction of Income Tax when emailing to accept the offer and this prompted a review of the phone call in which I originally disputed the deduction. The result was an apology and an extra £25, making the final payment £852.14.



Themes



Another respondent told us:

The account was frozen for several months due to failures in the bank's systems and processes. Our complaint was handled with no sympathy and their offer of compensation was derisory. We did not escalate to the Ombudsman because we had already wasted far too much time on the matter.

A third person said:

Our experience with [bank] from 17th October 2023 nearly gave me a nervous breakdown and I thought very seriously about leaving my job because of the stress. Following an official complaint, [bank] admitted liability, but the level of compensation we received both from [bank] as a "gesture of goodwill" and via a ruling from the Ombudsman did not really reflect the level of disruption the entire episode caused to our organisation because "an organisation cannot feel stress and its time cannot be wasted".

When it comes to the Financial Ombudsman, we are concerned about the lack of clarity on how compensation for voluntary organisations and volunteers is calculated, and will be exploring this with them.

One respondent shared that:

The Financial Ombudsman has reported that they are unable to consider the time that volunteers spend on dealing with complaints - only if there has been an actual financial loss. The Bank never answers any letters.

Themes

When things go well

We also heard positive reports about interaction with financial institutions from a number of respondents. Over 50% of respondents told us they had not made a formal complaint against their bank or financial institution in the past two years. Almost 15% of respondents said that they had complained to their bank, and the complaint had been resolved to their satisfaction. We have included some comments to show how people feel when things do go well, and when they are satisfied.

One respondents said:

Apart from a hitch that was due to having to make changes to comply with [charity's] financial requirements, which was eventually resolved and compensation paid, I have no issues with [bank] and have recommended them ... as a good bank to be with.

And

The only positive experience I can share is with [bank]. Its process and service puts the other banks to shame.

Another respondent said:

Since then I have opened two accounts with [bank]... they are really helpful, call answered in 10 minutes. I do a lot of internet banking, but am sure about accessing the small stuff - change of address etc.

Finally, we also heard:

Moved to [bank] and they have been very helpful in both setting up with ongoing support. Can't fault. Also ability to post cheques to them to pay in is very handy. Would be even better if had the ability in the app. Though I know they don't currently offer this to personal customer either.

In these cases, and others, the respondents' experiences have been characterised by effective communication and understanding from bank staff, which has contributed to much more positive experiences.





Learning from our respondents

We have looked at the data in detail for specific groups of organisations.

Small charities

Small charities are those with an annual income of under £1m each year. They are more likely to be entirely volunteer run, rather than having any paid members of staff. Small charities can be local, connected to a particular place or even building – such as a town's museum or faith group. They may also be organisations that connect communities of experience or practice, such as support for a particular health condition or disability.

Small charities made up the vast majority of the survey results in 2024, as in 2022. We received more than 900 responses for small organisations delivering youth services, predominantly through Girlguiding and Scouts (all age groups). We also had responses from a wide range of other small organisations including:

- Community development, social infrastructure (eg community centres, village halls), and infrastructure
- Arts and culture
- Services for children and families
- Education



27% of small charities said banking took between one and three hours each week and 9% said banking took over three hours each week.

- Sport
- Health
- Faith
- Environment
- Disability

Among small charities:

- In responding to our 2024 survey, 79% of people said their organisation uses online services. This is a major change since our 2022 research, when over half of all respondents (57%) said they did not bank online.
- Procedures to prevent online fraud were in place for 40% of respondents.
- When we asked about the amount of time spent on banking, 27% said this took between one and three hours each week, and 9% said banking took over three hours each week.
- [Only 17% of respondents from small charities had heard of the Consumer Duty](#), which requires firms to ensure 'good outcomes' for all customers.

In thinking about small charities, there is a distinction between those that form part of a larger group of charities, such as Girlguiding units or faith groups, and those that are stand-alone organisations. When there is a central organising body or community of organisations, it can be much easier to share guidance, information and best practice across the connected organisations.

Learning from our respondents

When it comes to small stand-alone charities, the landscape for support and advice is challenging. In recent years, the closure of the Small Charities' Coalition and the Foundation for Social Improvement have reduced general support available, although the SCC Helpdesk was transferred to NCVO and continues to respond to queries from small charities across England. Other national infrastructure bodies including CFG have a range of information available to any small charity or voluntary organisation.

Small charities can also turn for help to local infrastructure organisations in England, third sector interface in Scotland, WCVA and county voluntary councils in Wales, and NIVCA in Northern Ireland.

Rural charities

[As highlighted by ACRE in their 2022 report](#), access to banking services in rural areas poses additional challenges to organisations outside our main cities and towns. In the 2024 survey, we heard from 569 respondents from rural organisations. The annual income for this group ranged from under £10,000 (63%) to more than £10m (0.7%) per year.



A total of 81% of rural organisations were using online banking. This may have been affected by necessity, with the closure of rural branches...

The majority of rural respondents were youth services organisations. Other focus areas included: community development (15%); education, faith, arts, social infrastructure, sport (4-6% each).

For rural-based charities, 66% of respondents had experienced issues with changing signatories on their account and trustees had needed to visit a branch in person to establish their identity in 29% of cases.

This is particularly an issue since 15% of respondents from rural-based organisations said that in-person banking was simply not available to them, and a further 44% said it was not very available. Almost 20% of respondents said their nearest branch was over 20 miles away, and 5% of all rural respondents said their branch was over 40 miles away.

For almost one in ten respondents, it takes more than an hour to travel to their nearest branch. Over four out of five rural respondents (84%) travel to their nearest bank branch by car, rather than on foot, by bicycle, or by public transport.

A total of 81% of rural organisations were using online banking. This may have been affected by necessity, with the closure of rural branches, and the rollout of high speed broadband to more rural areas.

40% of respondents said they spent over an hour each week on banking for their organisations, with 11% saying this took up over three hours per week. Only 18% were aware of the Consumer Duty.

Learning from our respondents

Scotland

Of our responses from Scotland, 45% were from urban organisations, 22% from suburban settings and 34% from rural areas. Youth organisations (31%) dominated, followed by community development (16%). We heard from 18 arts organisations (7%), and most other areas of activity including education, faith, sport and health (including mental health). Incomes ranged from under £10,000 (46%) to over £10m (1%) per year.

70% of respondents said they had encountered difficulties in changing the signatories on their account, and 31% said at least one of their trustees had to attend a branch for ID verification. 30% of respondents had also been asked to provide information for all of their trustees, even those who were not signatories on the bank account. 30% had also experienced their bank losing information that they had already supplied. Setting up dual authorisation for payments on the account had been a challenge for 30% of respondents.

81% said their organisation used online banking. 47% said they had organisational procedures in place to prevent online fraud.



70% of respondents said they had encountered difficulties in changing the signatories on their account, and 31% said at least one of their trustees had to attend a branch...

Almost half (48%) said they spent an hour or more each week dealing with banking, with 15% of respondents saying that banking took more than three hours each week. Only 22% were aware of the Consumer Duty.

Wales

In our responses from Wales, 42% were from rural areas, 34% were based in urban locations, and 25% in suburban settings. Youth organisations were most heavily represented (21%), followed by community development (15%). Health (including mental health), faith, disability and family support each provided 6-7% of responses. Charity income ranged from under £10,000 (36%) to over £10m (5%) per year.

64% of respondents said they had encountered problems in adding or removing signatories from their account, and 30% said their trustees had needed to attend in person to verify their identity. Almost one out of three (32%) said they had been asked to provide personal information for all their trustees, even those who were not signatories to the bank account. Bank charges for operating accounts and paying in cash/cheques were also cited as a challenge by 38% of respondents.

87% of organisations used online banking. Over half (59%) said their organisation has procedures to protect against online fraud.

The majority (61%) said they needed to spend over an hour per week on banking issues, with more than one in five (22%) estimating they spend over 3 hours each week dealing with banking. 16% of respondents in Wales had heard of the Consumer Duty.

Learning from our respondents

Northern Ireland

We heard from 167 respondents in Northern Ireland, of which 32 (19%) also operate in the Republic of Ireland. Of these, 46% were from urban areas, 20% from suburban areas and 34% from rural areas. Community development (26%) and youth services (20%) were well represented, followed by organisations working in health (including mental health) (9%). Charity income ranged from under £10,000 (35%) to over £1m (10%) per year.

Two thirds of respondents (67%) said they had encountered problems with adding or removing signatories from their account, and 43% said their trustees had needed to attend in person

to verify their identity. Almost two out of five (39%) said they had been asked to provide personal information for all their trustees, even those who were not signatories to the bank account. Bank charges for operating accounts (55%) and paying in cash/cheques (47%) were also frequently cited as a challenge.

Across our Northern Ireland respondents, 74% said their organisation used online banking. Just over half of respondents (51%) whose organisations used online banking have procedures in place to detect/prevent online fraud. The majority (53%) said banking took up over an hour a week, with nearly one quarter (22%) saying they had to spend over three hours each week on banking. Only 18% had heard of the Consumer Duty.



Conclusions and recommendations

We found that respondents to our survey were facing a range of challenges in relation to accessing banking services for their charity or other voluntary organisation.

The challenges can be classified as:

Administrative

Opening and operating an account, including changing signatories and details on the mandate, verifying the identity of account signatories and trustees, setting up or operating dual authorisation on digital accounts, obtaining statements and other correspondence, maintaining correct contact details on accounts.

Debanking

The freezing, suspension or closure of an account with little or no notice.

Communication

In terms of being able to communicate via bank branches, mail, phone services or digital tools and secure a response in a reasonable time, in terms of comprehension by bank staff/systems of information being provided or questions asked, and in terms of clarity and explanations that can be understood by charity staff and volunteers.



Trustees and volunteers, in particular, said that the stress of dealing with banking had been significant, with some saying they had experienced mental ill-health as a result...

The impact on charity volunteers and trustees, as well as charity staff, can be understood in terms of:

Time

When volunteer and staff time is precious, it is frustrating to have to spend time on accessing banking services rather than fulfilling the organisations primary purpose, or making progress on other essential tasks

Stress

Trustees and volunteers, in particular, said that the stress of dealing with banking had been significant, with some saying they had experienced mental ill-health as a result or had been concerned for their mental health, and others saying that the stress was having a negative effect on their willingness or ability to continue volunteering.

Financial cost

Although many different issues with banking were identified as having a financial cost for charities, we heard that debanking was a major concern. In some cases, charities had lost interest on funds, as well as incurring costs in making alternative arrangements when their accounts had been frozen or closed. We also heard that the challenges of operating bank accounts were, in some cases, causing volunteers to use their own funds to support activities which could then be reclaimed.

We have identified three common themes from the quantitative and qualitative data gathered during this research:

1. Knowledge and understanding
2. Communication
3. Reducing complexity and providing explanations

Conclusions and recommendations

Knowledge and understanding

Many of the issues identified could be addressed through building more knowledge and understanding of charitable organisations among banking staff and systems. This could be supported by growing knowledge and understanding of the constraints and legal requirements which apply to the banking sector, among charity staff, trustees and volunteers.

Recommendations:

- Banks and financial institutions should improve knowledge and understanding of charitable organisations among their staff, especially those in customer-facing roles in branches and contact or customer service centres.
- Banks and financial institutions should create and maintain dedicated customer service teams to support queries about charity and community accounts, with the knowledge and information to respond appropriately.
- Banks and financial institutions should ensure that contact details for the dedicated customer service team are shared with all customer facing staff and customers holding charity or community accounts, so that queries can be directed to the right people, first time.



Banks and financial institutions should develop greater knowledge and understanding of charitable organisations' structures and governance models as a part of knowing your client'.

- Banks and financial institutions should work with their compliance and systems teams to adapt forms and information on charity and community accounts to reflect the language those organisations use, which would reduce complexity and the number of queries fielded by branch and contact centre staff eg replace 'profit/loss' with 'surplus/deficit', replace 'directors' with 'trustees'
- Banks and financial institutions should develop greater knowledge and understanding of charitable organisations' structures and governance models as a part of knowing your client'.
- Banks and financial institutions should review the information provided to charity and community account customers on Know Your Client (KYC), Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) to help recipients understand why these measures apply to every banking customer.
- Charitable organisations should 'shop around' and consider their current and future needs when assessing potential providers of banking services.
- Charitable organisations should ensure they are adhering to good standards of financial governance.
- Charitable organisations should help their staff, volunteers and trustees who are involved in accessing banking services understand what their bank or financial institution needs from them, and understand the measures around KYC and AML/CFT. This should be supported by ongoing work from charity infrastructure organisations.
- Charitable organisations should ensure they understand the Consumer Duty and how it is being applied to their account(s) and relationships.
- Charitable organisations should ensure they know how to complain to their bank or financial institution, and how to progress unresolved complaints to the Financial Ombudsman.

Conclusions and recommendations

- Charity sector regulators should continue to provide guidance and information for charity trustees and those with financial control over charitable organisations, as well as those managing finances, on the importance of using banking services effectively to support good governance, manage risk and protect against fraud.
- Charity sector regulators should continue to gather data on issues with banking affecting charities, sharing summary data with financial services regulators.

Communication

Effective communication with and from banks and financial institutions would help reduce the challenges experienced by charitable organisations, freeing up time and resources, and reducing stress and anxiety on the part of charity trustees, volunteers and staff. It would also reduce the amount of time banking staff are needing to spend answering queries, returning forms that have been completed incorrectly, and investigating complaints.

Communication is, at its heart, the exchange of information. [The Banking Code of Business Sourcebook](#) states:

4.1.1.1 A firm must provide or make available to a banking customer appropriate information about a retail banking service and any deposit made in relation to that retail banking service:

- (1) in good time;
- (2) in an appropriate medium; and
- (3) in easily understandable language and in a clear and comprehensible form; so that the banking customer can make decisions on an informed basis.

Many of the narrative comments from respondents come under the theme of communication, and the experiences they have shared do not immediately seem to meet that definition. This theme overlaps with the previous one of knowledge and understanding.



Conclusions and recommendations

Building knowledge, and developing understanding, requires effective communication between financial institutions and their customers. This works in both directions – customers need to communicate effectively with their banks, as well. However, it does seem that many of our respondents have tried to communicate with their banks but information and paperwork has been lost or not passed to the correct team for action, or they simply feel as though they have not been heard.

We also considered the means of communication. We found that many respondents are now using digital banking services, as well as a continued use of branch services/in person communication.

Many respondents, especially from smaller organisations, shared that they spent vast amounts of time trying to reach ‘someone to talk to’ at their bank or financial institution, with the requisite knowledge and understanding to progress their issue or resolve the situation. As charities become larger, in term of income, it is more likely they will have access to a relationship manager and this seems to be beneficial.

Recommendations

- Charitable organisations should take positive steps to communicate with their bank or



Charitable organisations should take steps to challenge their bank or financial institution when communication does not meet the requirements of the Consumer Duty...

financial institutions, particularly when unusual or one-off activity is anticipated:

- e.g. ‘We are expecting a significant deposit in the next few weeks. How do we make sure this does not cause a problem?’ ahead of a grant award or sale of an asset
- e.g. ‘We will have a change of officers following our AGM and will need to change signatories, what do we need to do?’
- e.g. ‘We want to send money overseas. What information do you need ahead of us initiating the transaction?’

- Charitable organisations should take steps to challenge their bank or financial institution when communication does not meet the requirements of the Consumer Duty, using the complaints procedure if necessary.
- Banks and financial institutions should review their communications with charity and community account holders to ensure these meet the requirements of the Consumer Duty.
- Regulators for the financial sector should be alert to the challenges facing charitable organisations and take steps to require more effective communication by banks and financial institutions with this group of customers.
- The charity sector regulators and the financial sector regulators should continue to work together to support good governance, risk management and fraud prevention.

Conclusions and recommendations

Reducing complexity and providing explanations

The qualitative data we have reviewed contains positive experiences about banking experiences, with 51% saying they have not made a complaint in the past two years. However, the breadth and depth of the negative experiences is considerable. What is striking is that many banks and financial institutions names in the qualitative data appear as both 'heroes' and 'villains' with some people reporting a positive experience and others a negative one, when it feels as though the circumstances were the same.

We identified the impact on charitable organisations as falling into three categories: time, stress and financial cost. We believe that the impact in all three areas could be reduced by reducing complexity and providing explanations. Arguably, both are covered in the sections above on 'knowledge and understanding' and 'communication' but talking about reducing complexity and providing explanations sets out how we feel the charity banking ecosystem could be improved for everyone.



...many banks and financial institutions names in the qualitative data appear as both 'heroes' and 'villains' with some people reporting a positive experience and others a negative one...

We are mindful that banks and financial institutions are continually developing automated processes to speed up customer response times and to reduce the need for human intervention. As personal banking customers, the authors of this report can see a massive shift in how accounts and account management has changed over the years, and how much easier it is to manage a personal bank account now than in the past, through digital tool and helpful call centre staff. However, charity and community accounts seem to be lagging behind in benefiting from automation, because banking systems have been built for business accounts, of which charity and community accounts are usually a subset. Reducing the complexity of processes and providing clearer explanations to charitable organisations and banking staff about what is needed and why, to pass along a process, should help improve customer journeys, reduce manual intervention on the part of banks and financial institutions, reduce the time, stress and cost on charitable organisations and make the system work better for everyone.

Recommendation

Banks and financial institutions should conduct a cost-benefit analysis on adapting automated systems to handle processes for charity and community accounts, taking into account the impact that current processes have on their charitable customers in terms of time, stress and financial cost.

Appendix 1: The survey

Can we bank on the banks? Voluntary sector banking challenges survey 2024

Since 2022, the Civil Society Group and partners have been working to improve bank account services for charities and voluntary organisations across the UK. This survey will help us understand the challenges the sector is facing so that we can advocate on your behalf to the respective charity regulators, government, and the banking sector.

Who the survey is for

This survey is for anyone with responsibility for managing a voluntary organisation's banking activities. To complete it, you will need to be very familiar with the day-to-day management of your organisation's bank account(s).

How to complete the survey

We would be very grateful if you could complete this survey by 12pm on Wednesday 15th May.

We recommend looking over the survey and gathering the information you will need before sitting down to complete it. With all of the relevant information to hand, it should take you about 10-15 minutes to complete. The survey will need to be completed in one sitting - you cannot save it and return to finish it later. Please feel free to skip any non-required questions that do not apply to your organisation's banking experiences. There is a free text box at the end (question 29) that you can use to tell us about anything else that is not covered in the survey.

If you work with multiple voluntary organisations (for example, you are a trustee of one charity and a paid staff member at another), please complete the survey with one charity in mind. You can complete the survey multiple times on behalf of different organisations, but please only submit one response per organisation. We also encourage you to send this survey to other charities and voluntary organisations in your network. The more responses we receive, the stronger our evidence will be.

How your data will be used

The results of this survey will only be shared in aggregate outside of the organisations listed below. If you give us clear permission to cite your response by ticking "yes" towards the end of this survey, then we may cite your individual response, including quoting any free text responses.

Even if you give us permission to cite your response, we will do so anonymously - we will not link your response to the name of your organisation.

If we want to cite your response and link it to your organisation, we will get in touch with you to discuss this. We will never attribute your response to your organisation without your permission.

The organisations that will have access to this survey data, including the name of your organisation, are:

NCVO
Charity Finance Group

The organisations that will have access to this survey data, not including the name of your organisation, are:

SCVO, WCVA, NICVA, Muslim Charities Forum, Girlguiding UK, NAVCA, ACRE,

Further information

If you have any questions, including about accessibility, please email policy@cfg.org.uk.

You can find out more about the Civil Society Group here: <https://www.civilsocietygroup.org.uk/>

You can read about what we found when we ran this survey in 2022 here: <https://navca.org.uk/about-our-policy-work>

1. What is the name of your organisation?

Required to answer. Single line text.

Enter your answer

2. What is the legal form of your organisation?

Required to answer. Single choice.

To read more about legal forms, please visit:

NCVO's website (for England) - <https://www.ncvo.org.uk/help-and-guidance/setting-up/choosing-your-legal-structure/>

WCVA's website (for Wales) - <https://wcva.cymru/information-support/>

SCVO's website (for Scotland) - <https://scvo.scot/support/setting-up/structure>

NICVA's website (for Northern Ireland) - <https://www.nicva.org/resource/legal-structures-voluntary-and-community-groups>

- Charitable company (limited by guarantee)
- CIO or SCIO
- Unincorporated association
- Trust
- Exempted charity
- Excepted charity (for example, a Scout or Guide unit)
- Community interest company (CIC)
- Other

3. What is your organisation's income per year?

Required to answer. Single choice.

Select your answer

- Less than £10,000
- £10,000 to £50,000
- £50,000-£100,000
- £100,000 to £1m
- £1m to £10m
- £10m to £100m
- More than £100m

4. What is your role in your organisation?

Required to answer. Single choice.

- Trustee
- CEO
- Finance director
- Other paid staff
- Volunteer (not including trustees)
- Other

5. Where does your organisation operate? Please select all that apply.

Required to answer. Multiple choice.

- UK-wide
- England
- Scotland

- Northern Ireland
- Northern Ireland and the Republic of Ireland
- Wales
- England - North East
- England - North West
- England - Yorkshire & Humber
- England - West Midlands
- England - East Midlands
- England - East of England
- England - London
- England - South East
- England - South West
- Overseas

6. How would you describe the location of your organisation?

Required to answer. Single choice.

If you have multiple offices or locations, please choose the option that applies to the majority of your locations.

- Urban
- Suburban
- Rural

7. What is your organisation's main area of focus?

Required to answer. Single choice.

Select your answer

- Addiction and substance use
- Advice (including for finances, debt, benefits, etc.)
- Animal welfare
- Arts and culture
- Carer support
- Crisis support and/or poverty relief
- Community development
- Disability
- Domestic violence and sexual abuse

- Education (not including employability services)
- Environment, nature and/or climate change
- Faith
- Families and children
- Health (including mental health and public health)
- Homelessness support
- Housing and accommodation
- Infrastructure
- Legal and advocacy
- Peer support
- Social care
- Sport and leisure
- Support for people in the criminal justice system
- Support for refugees and/or asylum seekers
- Transport
- Youth services
- Other

8. Approximately how much time in total do you, your trustees, staff, and/or volunteers spend on banking tasks?

Required to answer. Single choice.

- Less than 1 hour per month
- 1-3 hours per month
- Less than 1 hour per week
- 1-3 hours per week
- More than 3 hours per week
- Other

9. Thinking about the past two years, has your organisation had any of the following challenges with banking?

Required to answer. Multiple choice.

Please tick all that apply.

- Difficulty finding any bank that will accept you

as a new customer

- Difficulty opening an account with a new bank
- Being told by your existing bank that you have the wrong type of account and need to open a different type of account
- Difficulty changing the type of account with your existing bank
- Only being able to access accounts with restrictions (for example, limits on the number of withdrawals or transactions, minimum deposit requirements)
- Being charged for your bank account
- Being charged to deposit cheques/cash, bank online, or other services
- Adding and/or removing signatories on your bank account mandate
- Changing the registered address on your bank account mandate
- Setting up dual signatories on your account
- Being asked for an independent third party's verification of trustees/signatories (such as a solicitor or accountant)
- One or more trustees being required to attend the bank in person for signatory verification
- Being told by a bank that something you've given them isn't acceptable, even though it's compatible with charity regulations (for example, a founding document)
- Being asked by your bank for something that's impossible to provide or doesn't exist (for example, a 'certificate of registration')
- Being asked to supply the bank with personal information for all of your trustees, even those that aren't signatories
- Feeling worried or threatened because of communications from your bank
- Your bank sending letters or emails to incorrect addresses
- Your bank losing information that you've supplied
- Being required to complete checks that are not designed for charities or voluntary organisations (for example, anti-money laundering and fraud

checks, 'know your customer' forms)

- Your bank removing access to your funds (for example, by freezing your account, cancelling your debit or credit card)
- Your bank permanently closing your account
- Difficulties moving money between a British bank account and a bank account overseas
- Difficulties holding money in a British bank account in a currency other than GBP
- Being 'blacklisted' (unable to open an account anywhere) due to your charitable activities (for example, sending money to conflict zones, campaigning for particular causes)
- Being 'blacklisted' (unable to open an account anywhere) because your organisation has been deemed 'high risk' (for example, terrorist financing risks, money laundering risks)
- Difficulty reactivating a dormant account
- Barriers to accessing services in Welsh
- Being unable to get a clear explanation from your bank about any of the above challenges
- None of the above
- Other

10. What impact do banking challenges have on your organisation (if any)?

Required to answer. Multiple choice.

Please select all that apply.

- We incur unreasonable financial costs in order to access banking services
- We incur unreasonable time costs in order to access banking services
- It is very stressful for us to deal with the requirements of setting up and/or maintaining our bank account
- One or more trustees have stepped down because of our banking challenges
- We struggle to recruit new trustees because of our banking challenges
- One or more volunteers have left because of our banking challenges

- We struggle to recruit new volunteers because of our banking challenges
- One or more staff members have left because of our banking challenges
- We struggle to recruit new staff members because of our banking challenges
- We have had to put our financial management at risk to continue operating (for example, by using personal funds/accounts, keeping cash at home)
- None of the above
- Other

11. Does your organisation have a debit card?

Required to answer. Single choice.

- Yes
- No

12. Does your organisation bank online?

Required to answer. Single choice.

This includes conducting any banking activities using a computer or smartphone. Please tick 'yes' even if you don't conduct all of your banking activities online. For example, please tick 'yes' if you view your account statements online but do not make payments online.

- Yes
- No

13. What barriers does your organisation experience to banking online (if any)?

Required to answer. Multiple choice.

Please select all that apply.

- Lack of access to appropriate technology, including internet access
- Not comfortable with and/or don't trust online banking
- Lack of out of hours support

- Too much time required to set up online banking
- Bank doesn't allow for dual signatories with online banking
- Bank doesn't allow for online banking with the type of account that we have
- Our services users and/or donors rely on cash and/or cheques
- None of the above - we don't experience any barriers to banking online
- Other

14. If your organisation banks online, do you have procedures in place for online fraud?

Single choice.

- Yes
- No
- Not sure

15. Do you prefer to bank in a branch (including the Post Office) or online (including via a smartphone app)?

Required to answer. Single choice.

- I prefer to bank in a branch
- I prefer to bank online

16. Approximately how often does your organisation need to access in-person banking services?

Required to answer. Single choice.

Select your answer

- Multiple times per week
- Once per week
- A few times a month
- Once per month
- Once every few months
- Once or twice per year

- Never

17. Thinking about the past two years, why has your organisation needed to access in-person banking services (if at all)?

Required to answer. Multiple choice.

Please select all that apply.

- To pay in cash
- To pay in cheques
- To withdraw cash
- To get help with complex forms and/or other requests from the bank
- To undertake ID checks (for example, when setting up a new account, adding or removing trustees on the mandate, etc.)
- To access services that can only be done in a branch
- None of the above - we don't need to access in-person banking services
- Other

18. How available are in-person banking services if your organisation needs them?

Single choice.

- Very available
- Somewhat available
- Not very available
- Not at all available

19. How far away is your closest bank branch?

Single choice.

Please answer in miles that you would need to travel.

Select your answer

- Less than 1 mile
- Between 1 and 3 miles

- Between 3 and 10 miles
- Between 10 and 20 miles
- Between 20 and 40 miles
- More than 40 miles

20. How long does it take you to get to your closest bank branch (single journey)?

Single choice.

Select your answer

- Less than 10 minutes
- 10-30 minutes
- 30 minutes to 1 hour
- More than 1 hour

21. How do you normally travel to your nearest bank branch?

Single choice.

- On foot
- Cycling
- In a car
- By public transport

22. Is your nearest bank branch a Banking Hub?

Single choice.

Banking Hubs bring together multiple banks in one premises. You can find out more about Banking Hubs here: <https://www.cashaccess.co.uk/hubs/>

- Yes
- No
- Not sure

23. How far away is your closest free to use ATM?

Single choice.

Please answer in miles that you would need to travel.

Select your answer

- Less than 1 mile
- Between 1 and 3 miles
- Between 3 and 10 miles
- Between 10 and 20 miles
- Between 20 and 40 miles
- More than 40 miles

24. How long does it take you to get to your closest free to use ATM (single journey)?

Single choice.

Select your answer

- Less than 10 minutes
- 10-30 minutes
- 30 minutes to 1 hour
- More than 1 hour

25. How do you normally travel to your nearest free to use ATM?

Single choice.

- On foot
- Cycling
- In a car
- By public transport

26. Is your nearest free to use ATM available 24/7?

Single choice.

- Yes
- No, because it's located inside premises with limited opening hours (for example, a bank branch or Post Office)
- No, for another reason

27. In the past two years, have you made a complaint about your bank to any of the following, and has it been resolved to your satisfaction?

Please select all that apply.

Required to answer. Multiple choice.

The Financial Ombudsman for Small Businesses can help charities with an income of less than £6.5m, and trusts with a net asset value of less than £5m. You can find out more here: <https://sme.financial-ombudsman.org.uk/>

The Financial Conduct Authority (FCA) is the regulator for many financial services in the UK. The FCA cannot directly address or resolve individual complaints about banks, but it is useful for them to hear about and gather data on challenges that customers are experiencing. You can find out more about how to complain to them here: <https://www.fca.org.uk/contact>

- Your bank - resolved to your satisfaction
- Your bank - not resolved to your satisfaction
- Your bank - complaint in progress
- Financial Ombudsman - resolved to your satisfaction
- Financial Ombudsman - not resolved to your satisfaction
- Financial Ombudsman - complaint in progress
- Financial Conduct Authority
- We have not made any complaints about our bank in the past two years
- Not sure

28. Are you familiar with the new Consumer Duty?

Required to answer. Single choice.

The Consumer Duty came into force on 31 July 2023. It requires financial firms to put their customers' needs first, and sets higher and clearer standards for doing so. You can read more about the Consumer Duty on NCVO's website: <https://www.ncvo.org.uk/news-and-insights/news-index/consumer-duty-what-is-it-and-how-will-charities-benefit/>

- No, I've never heard of the Consumer Duty
- Yes, I've heard of the Consumer Duty but I'm not very familiar with it
- Yes, I'm familiar with the Consumer Duty

29. Is there anything else you would like to tell us about your organisation's experiences with banking over the past two years?

Multi Line Text.

Please use this space to elaborate on any of your answers above and/or tell us anything else that was not covered by this survey.

Enter your answer

30. Are you happy for us to cite your response in our advocacy work?

Required to answer. Single choice.

This includes quoting any free text responses. As explained in the introduction, we will only quote your response anonymously, unless you give us permission to attribute your response to your organisation.

- Yes
- No

31. If you would be happy for us to follow up with you to talk more about your responses and keep you informed about future work on this topic, please leave your email address.

Single line text.

We cannot guarantee that we will follow up with you, and we (the policy teams of the partner organisations) cannot provide individual support with the challenges you have told us about in this survey.

If you require practical support with banking challenges, please browse the support available from your council for voluntary organisations:

NCVO (England) - <https://www.ncvo.org.uk/help-and-guidance/>

WCVA (Wales) - <https://wcva.cymru/information-support/>

SCVO (Scotland) - <https://scvo.scot/support>

NICVA (Northern Ireland) - <https://www.nicva.org/resources>

Enter your answer

Appendix 2: Respondents' activity focus data in full

Activity area	No.	%
Youth services	967	51.1
Community development	180	9.5
Health (including mental health and public health)	83	4.4
Arts and culture	79	4.2
Education (not including employability services)	77	4.1
Faith	68	3.6
Families and children	62	3.3
Sport and leisure	52	2.7
Disability	47	2.5
Environment, nature, and/or climate change	44	2.3
Social infrastructure (community centre, village hall, etc.)	28	1.5
Infrastructure	26	1.4
Social care	21	1.1
Crisis support and/or poverty relief	18	1.0
Advice (including for finances, debt, benefits, etc.)	15	0.8
Domestic violence and sexual abuse	14	0.7
Employability (including training and skills)	14	0.7
Transport	13	0.7
Funding	12	0.6
Animal welfare	10	0.5
Carer support	9	0.5
Peer support	9	0.5
Heritage	7	0.4
Addiction and substance use	6	0.3
Homelessness support	5	0.3
Housing and accommodation	5	0.3
Legal and advocacy	5	0.3
Support for refugees and/or asylum seekers	5	0.3
International development	4	0.2
Social change	3	0.2
Support for people in the criminal justice system	3	0.2
Local government	2	0.1

About the Civil Society Group

The Civil Society Group is a collaboration of over 80 civil society infrastructure and membership organisations, which has been working since the start of the pandemic to coordinate action and engagement between civil society organisations and governments across the UK. Through our members and wider networks, we gather insight from hundreds of thousands of registered charities, community and faith groups, voluntary organisations and social enterprises.

About Charity Finance Group

CFG is the charity and membership organisation that supports other charitable organisations to make the biggest difference possible. We do this by helping them to make their money and resources go further. CFG's vibrant community manages around one third of the UK's entire charity sector income. We are a diverse and inclusive community of finance professionals and charity leaders who are passionate about delivering impact through financial leadership. Together, we lead the way for charity finance.

About NCVO

The National Council for Voluntary Organisations (NCVO) is the largest membership organisation for the voluntary sector in England. With over 17,000 members, NCVO represents all types of organisations, from large 'household name' charities to small voluntary and community groups involved at the local level. NCVO is also the lead body for volunteering in England.

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