

# Choosing an ethical bank account for your church

**An analysis of 4 current accounts suitable for churches & charities**

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JustMoney Movement is a working name of the Ecumenical Council for Corporate Responsibility, a company limited by guarantee (registered in England) number 02764183 and registered charity number 1139618.

[www.justmoney.org.uk](http://www.justmoney.org.uk)



# Why choose an ethical bank account for your church?

**For where your treasure is, there your heart will be also.**

**Matthew 6:21**

**Banks use the money we deposit to make loans to, or invest in, businesses around the world. Are the values of your church reflected in your choice of bank?**

Who does your bank lend to? Is it financing fossil fuels? Does it invest in arms companies? Does it pay its fair share of tax? Does it treat its employees well?

If you bank with one of the major high street banks your money may be supporting companies and industries that don't align with your values.

The good news is that there are banks working for positive social and environmental change.

Choosing a more ethical bank account or engaging with your current bank on an issue you care about could be a step your church takes to steward its resources for the common good.

## Ready to take action?

Share this resource with your church leader or treasurer and explore your banking options. Want to go further? Use [our Money Makes Change resources](#) to continue connecting your faith and your finances.

## Pray

Creator God, guide us to be wise, just and generous stewards of the resources entrusted to us, so that together we may help shape a fairer world for all. Amen

## Switching accounts?

If you are switching to a more ethical bank, **tell your current bank why you are leaving**. The more voices they hear, the quicker things will change. Get in touch ([info@justmoney.org.uk](mailto:info@justmoney.org.uk)) if you'd like help drafting a letter or email to your current bank.

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

# Exploring ethical banking



We have chosen to look at **four banks that offer charity or business accounts**, suitable for use by churches. For some you will need to be a registered charity. The banks are Unity Trust Bank, Reliance Bank, The Co-operative Bank and CAF Bank.

For ethical reasons we have excluded the more well-known high-street banks. The UK's biggest banks like HSBC and Barclays are consistently ranked at the bottom of ratings tables by Ethical Consumer ([www.ethicalconsumer.org](http://www.ethicalconsumer.org)) and the Good Shopping Guide ([thegoodshoppingguide.com](http://thegoodshoppingguide.com)). Ethical issues may include the financing of fossil fuels and the arms trade, excessive directors' pay and likely use of tax avoidance strategies.

We have compared the accounts across a number of categories like fees, physical branches and card availability and have looked at the ethical credentials of each bank.

We have identified accredited Living Wage employers and banks that have the Fair Tax Mark.

Please note: previous versions of this resource included [Triodos Bank](#) but they have stopped offering business and charity accounts to new customers. They remain a good ethical option for individuals.



Serves the needs of charities, local councils, social enterprises, co-operatives, voluntary organisations and credit unions.

Lending is aligned with the United Nations' Sustainable Development Goals.

[www.unity.co.uk](http://www.unity.co.uk)



Established by the founder of The Salvation Army, Reliance gives up to 75% of profits to The Salvation Army International and prioritises lending to organisations delivering positive social impact in the UK.

[www.reliancebankltd.com](http://www.reliancebankltd.com)



Has a wide-ranging customer-led Ethical Policy. Founded on co-operative values but was bought out by private shareholders in 2013. Despite concerns around its ownership, it remains one of the most ethical high-street banks.

[www.co-operativebank.co.uk](http://www.co-operativebank.co.uk)



Provides banking services to charities and social purpose organisations. Owned by the Charities Aid Foundation.

All profits are reinvested to help fund CAF's work supporting the charitable sector.

[www.cafonline.org](http://www.cafonline.org)

# Features



	unitytrust bank	RELIANCE BANK Giving money meaning	The co-operative bank	CAF Bank
<b>Account</b>	Business current account	Charity / business current account*	Community DirectPlus account**	CAF cash current account
<b>7 Day Switch Guarantee</b>	✓	✓	✓	✗
<b>Physical branch</b>	No, but can pay in cash & cheques via NatWest, RBS, Ulster Bank or at the Post Office (cash only).	No, but can access counter services at NatWest and RBS.	✓	No, but can pay in cash & cheques at HSBC and RBS. Can pay in cheques at the Post Office.
<b>Fees</b>	£6 per month (plus credit & debit fees if turnover above £100k).	£5 per month plus credit & debit fees	No monthly fee	£5 per month
<b>Card facilities</b>	Yes, Unity Corporate MultiPay charge card in partnership with Lloyds bank. £3 monthly fee.	Yes, Visa Debit card	Yes, Visa Debit card	Yes, business card can be used wherever you see the Mastercard® logo.
<b>Internet banking and dual authorisation</b>	✓	✓	✓	✓
<b>Interest paid</b>	No, but offers savings accounts	No, but offers savings accounts	No, but offers savings accounts	✓

\*Only for organisations with an annual turnover £250,000+

\*\*Only for registered charities

**NOTE:** All the banks above are covered by the Financial Services Compensation Scheme (FSCS) which protects £85,000 per depositor per bank. We believe all the details above are correct (November 2022), but do not accept responsibility for any loss or damage caused by an error or omission.

# Ethical considerations



Ethical Consumer score	12/20	11.5/20	13/20	6/20
<p><u>Ethical Consumer</u> researches the social and environmental records of companies. They look at information like the bank's investing and lending policies, environmental reporting, transparency &amp; tax practices, giving them a score out of 20. Learn more <a href="#">here</a> (you can access the full data via a small annual subscription).</p>	<p>Only lends to organisations that are committed to economic, community and social change.</p> <p>Invests in green and social bonds that are aligned to its values.</p>	<p>Excludes lending to certain sectors including fossil fuels.</p> <p>Prioritises lending to organisations delivering positive social impact in the UK.</p> <p>Up to 75% of profits go to Salvation Army International.</p>	<p>Applies an ethical policy to its lending.</p> <p>Does not finance fossil fuels.</p> <p><u>The Customer Union for Ethical Banking</u> aims to hold the Bank to account and is calling for a return to co-operative ownership.</p>	<p>Owned by Charities Aid Foundation so exists for charitable purposes.</p> <p>Reinvests all profits into the charitable sector.</p> <p>Loses Ethical Consumer rating points due to lack of transparency of fund holdings.</p>
Fair Tax Mark*	✓			
Living Wage Employer**	✓		✓	

\* Accredited Organisation - the gold standard of responsible tax conduct: <https://fairtaxmark.net>

\*\* Accredited Living Wage Employer: <https://www.livingwage.org.uk/accredited-living-wage-employers>



# Frequently asked questions

## We've switched our current account. What can we do with our savings?

All the banks covered in this resource offer savings accounts but there are alternative options that specialise in providing savings accounts.

**Charity Bank** is highly rated by Ethical Consumer. Money deposited with Charity Bank is lent to charities, social enterprises and organisations tackling social and environmental issues.

**Kingdom Bank** offers deposit accounts for churches and charities. Christian charity Stewardship is Kingdom Bank's largest shareholder, and the bank lends to churches, Christian charities and individuals, primarily through mortgage products.

The **Pentecostal Credit Union** and **Churches Mutual Credit Union** both offer corporate savings accounts (provided you meet their criteria for membership). Credit unions are a good, ethical alternative to the big banks. They are owned by their members and provide affordable loans to those that need them.

Your local or regional credit union may offer savings accounts for organisations too. Find your nearest credit union here: [www.findyourcreditunion.co.uk](http://www.findyourcreditunion.co.uk)



## How ethical are the new 'Challenger' banks?

We haven't included them in this resource yet, but according to Ethical Consumer, the new Challenger banks 'are generally more ethical than the established names'. These banks include Coconut, Starling, Tide, Monzo and Revolut. Does your church use one of these banks? We'd be keen to hear about your experience: [info@justmoney.org.uk](mailto:info@justmoney.org.uk)



# Frequently asked questions

## What about customer service? Are ethical banks any better?

It is harder for us to assess this as experiences can be so varied, but we know that it will be an important factor for many churches alongside ethical credentials. Smaller, more ethical banks often won't have the range of services that a large bank can offer, and most don't have a physical branch you can visit, but they may have a better understanding of the faith and charity sector.

In a charity banking poll conducted by Charity Finance (2022), Reliance Bank came top overall for customer satisfaction, followed by CAF Bank and the Co-operative Bank, outperforming the larger high-street banks. Unity Trust Bank say that 'more than 60% of new customers join us following a recommendation from an existing Unity customer'.

We recommend speaking to other churches or charities who have made a switch to a more ethical bank to find out what their experience has been, or checking independent sources like Which? ([www.which.co.uk](http://www.which.co.uk)) - the consumer champion website that publishes customer ratings.

## We are not in a position to switch from our current bank. What can we do?

Use your voice as a customer and speak to your bank about the issues that you are concerned about. Let them know what changes you would like to see, for example, more urgent action on the climate crisis.

**Campaign with us.** Big banks like Barclays, HSBC and NatWest could use their finances to help shape a fairer, more peaceful and sustainable world, but they still invest in, and lend to, sectors that cause harm.

In our [Don't Bank on Plastics](#) campaign we highlight the role of banks in financing the world's biggest plastic producers and polluters. Download the **Don't Bank on Plastics Church Action Pack** and start engaging with your bank for a greener world.





## In summary

- 3 of the banks we looked at don't have physical branches, but they all offer alternative ways to deposit cash and cheques (partnering with banks that do have a high-street presence).
- With the exception of The Co-operative, all the banks charge a small monthly fee for their accounts. Additional transaction charges may apply with some banks, particularly if you have a high annual turnover.
- The Co-operative's CommunityPlus account is only open to registered charities which has caused difficulties for some churches.
- All the banks offer a debit, credit or business charge card.
- All the banks we looked at offer online banking services with dual authorisation when making payments.

## Learn more

- [Money Makes Change resources](#) for individuals and churches
- Ethical Consumer's [guide to ethical bank accounts](#)
- Student-led ethical banking campaign: [The Switch](#)
- Use [Bank.Green](#) or [Switch It](#) online to find out if your bank is funding fossil fuels
- Make a fossil fuel divestment commitment with Operation Noah's [Bright Now](#) campaign

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

We welcome feedback on this resource. If there's something you'd like us to consider when we next update this resource or if you have a comment or question related to ethical banking please email [info@justmoney.org.uk](mailto:info@justmoney.org.uk)

Further resources related to faith and finance can be found here: <https://justmoney.org.uk/money-makes-change-hub>