

# Choosing an ethical Bank Account

FOR USE BY CHURCHES NEEDING A CHARITY CURRENT ACCOUNT

AN ANALYSIS OF 5 OF THE MORE ETHICAL OPTIONS

## DISCLAIMER

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

# Why choose an ethical bank account for your church?



## LIVING OUT YOUR FAITH

*For where your treasure is, there your heart will be also.  
Matthew 6:21*

Think about the values that are important to your church. Are they reflected in your choice of bank?

Looking at where you bank is a good place to start if you want to help shape a fairer, more sustainable world.

*What do you know about your bank? Who does it lend to? Is it financing fossil fuels or the arms trade? Does it pay its fair share of tax? Does it treat its employees well?*

If you haven't made a conscious decision to choose an ethical bank it's possible that you are supporting things you view as harmful.

The good news is that there are banks that work for positive social and environmental change. We explore 5 of them in this resource.

Choosing an ethical bank account is a step towards stewarding your finances ethically and living out your faith and values through your financial decisions.

## READY TO TAKE ACTION?

Share this resource with your church leader, treasurer or those involved in managing your church's finances.

Want to go further? Use [our Money Makes Change resources](#) to explore wider ethical finance issues for individuals and churches.

*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've decided to switch to a more ethical bank, do let your current bank know why you are leaving. The more voices they hear, the quicker things will change.

Get in touch ([info@eccr.org.uk](mailto:info@eccr.org.uk)) if you'd like help in drafting a letter or email to your current bank.

# Analysis of 5 charity current accounts



We have selected 5 commonly used charity accounts, suitable for use by churches.

We have excluded some of the more well-known High Street banks for ethical reasons. The UK's biggest banks are consistently ranked at the bottom of [Ethical Consumer's](#) ratings tables (available via subscription) and the [Good Shopping Guide](#). 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 Living Wage employers and banks that have been awarded the Fair Tax Mark.



Triodos Bank

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



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



RELIANCE BANK

Giving money meaning

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

The co-operative bank

Founded on co-operative values, the only bank featured with a High Street presence. Prides itself on a customer-led Ethical Policy.

CAF Bank

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

*'We publish details of every organisation we finance on our website, so you can see for yourself how your money is delivering positive change for people and planet.'*

Triodos

*'We help organisations to prosper and contribute to economic, community and social change.'*

Unity Trust Bank

*'We believe that the way we choose to bank can mirror the way we choose to live – by putting good before greed and people before profit.'*

Reliance Bank

*'We are clear about the types of organisations we will and won't provide banking services to, because of our customers' ethical concerns.'*





The Co-operative Bank

*'We're different to other banks because any surplus we make is reinvested to support the charitable sector.'*

CAF Bank

# Features of each charity current account



	 Triodos Bank	 unitytrust bank	 RELIANCE BANK <small>Giving money meaning</small>	The co-operative bank	 CAF Bank
7 day switch guarantee	✓	✓	✓	✓	✗
Physical branches	✗ Offer services to deposit & cash cheques	✗ Pay in cash & cheques at Natwest, RBS or Post Office	✗ Pay in cash & cheques at Natwest or RBS	✓	✗ Pay in cash & cheques at HSBC, RBS or Post Office
Fees	✓ Pay per transaction	✓ £6 per month plus debit and credit charges.	✓ Free for first 6 months if criteria met, then £5 per month plus debit and credit charges	✗	✓ £8 per month
Card facilities	✗	✓ Offers a charge card in partnership with Lloyds	✓	✓	✓
Internet banking & dual authorisation	✓	✓	✓	✓	✓
Interest paid	✓ On balances over £5k	✗ Link to easy access savings	✗ Link to easy access savings	✗ Link to easy access savings	✗ Link to easy access savings

NOTE : All 5 banks 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 (as of March 2021), but do not accept responsibility for any loss or damage caused by an error or omission.

# Ethical considerations



Ethical Consumer score

16/20

12.5/20

11.5/20

7/20

6/20

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

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

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

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

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

Do not provide banking services to businesses and organisations that conflict with their wide-ranging ethical policy. Lose points because of the investment activities of the bank's owners.

Owned by Charities Aid Foundation so exist for charitable purposes. Reinvest all profits into the charitable sector. Lose Ethical Consumer rating points due to lack of transparency of fund holdings.

Fair Tax Mark



Living Wage Employer



## IN SUMMARY

- Most of the banks we looked at in this analysis don't have physical branches but they all offer alternative ways to deposit cash and cheques (usually partnering with banks that do).
- With the exception of The Co-operative, all banks charge a fee for their accounts. The Co-operative's business charge card does have a monthly fee of £2 a card.
- With the exception of Triodos, most banks offer a debit, credit or business charge card. Although Triodos doesn't currently offer this option, it is possible to hold a credit card with another organisation, in conjunction with a Triodos bank account.
- They all offer online banking services with dual authorisation when making payments.

## LEARN MORE

- [Money Makes Change resources](#) for individuals and churches
- Ethical Consumer's [guide to ethical bank accounts](#) for businesses and charities
- Student-led ethical banking campaign: [The Switch](#)
- Switch It's [online tool](#) - find out if your bank is funding fossil fuels
- Make a 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@eccr.org.uk](mailto:info@eccr.org.uk)

Further resources related to faith and finance can be found here: [www.eccr.org.uk/money-makes-change](http://www.eccr.org.uk/money-makes-change)