

THE CHARITY ACCOUNTANTS' ONLINE CONFERENCE - 2025

CHARITY BANKING – A BRIGHTER FUTURE ?

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WHO ARE WE?

Supporting you with your finances, the CAF Group offers a range of financial services to help your charity have a bigger impact. This summary is aimed at providing an overview of these entities, their regulators, remits and products.

CHARITIES AID FOUNDATION (CAF)

- Parent organisation
- **Aims: To accelerate progress in society towards a fair and sustainable future for all**
- Regulated by the Charities Commission 268369 and HMRC
- Common products:
 - **CAF Donate** – our electronic giving portal
 - **Venturesome Impact Fund** – offering non-regulated unsecured lending and blended finance packages (part loan/part grant)
 - **CAF Grant Making**
 - **CAF Advisory**
 - **CAF Give As You Earn**
 - **Philanthropy products**
 - **CAF America** – ‘Friends Fund’ - a cost-effective way to receive support from US donors

CAF BANK

- Wholly owned subsidiary of the Charities Aid Foundation
- **Aims: Banking with a Purpose to support the third sector**
- CAF Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 204451
- Common products:
 - **CAF Cash** – our everyday current account
 - **CAF Gold** – our savings account
 - **CAF Bank Loans** – our non-regulated lending products
 - **Business Debit Card**

CAF FINANCIAL SOLUTIONS LIMITED (CFSL)

- Wholly owned subsidiary of the Charities Aid Foundation
- **Aims: Provides charitable investors with access to both savings accounts and longer-term investment options**
- CAF Financial Solutions Limited (CFSL) is authorised and regulated by the Financial Conduct Authority under registration number 189450
- Introductions to a range of services provided by partners including:
 - **Notice accounts**
 - **Term deposits**
 - **CAF Charity Deposit Platform**
 - **Investments**

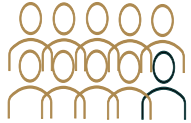
CAF Bank loans are non-regulated products. Loan applications subject to credit assessment. Security will be required. Charity assets may be at risk if you do not keep up with the repayments for a mortgage, loan or any other debt secured on them. If you're thinking of consolidating existing borrowing, you should be aware that you may be extending the term of the debt and increasing the total amount you pay. The value of investments may fall as well as rise. You may not get back the full amount that you originally invested. Past performance is not a guide to future performance. There is no guarantee about the level of capital or income returns that will be generated.



AGENDA

- 01. THE BANKING ISSUES CHARITIES ARE FACING**
- 02. THE IMPACTS OF POOR CHARITY BANKING PROVISION**
- 03. BEING UNDERSTOOD BY YOUR BANK**
- 04. THE BENEFITS OF SPECIALIST PROVIDERS**
- 05. ENGAGING WITH YOUR BANK FOR BETTER OUTCOMES**
- 06. THE INDUSTRY RESPONSE**

WHAT ARE THE BANKING ISSUES CHARITIES ARE FACING?



CFG Charity Banking Challenges 2024 report: 92% of charities have experienced at least one issue related to banking in the last two years. Charity Commission's annual sector survey found that:



Almost a third (32%) of trustees faced challenges when updating contact or signatory details



18% of charities had difficulty opening a bank account:

- Due diligence checks
- Sanctions concerns and anti-money laundering



14% had difficulty understanding what their bank wanted from them



6% of respondents confirmed that they had experienced account freezes or being blocked out over the past year and 7% of respondents reported that their bank had lost their records

THE IMPACTS OF POOR CHARITY BANKING PROVISION



Lack of understanding between banks and charities

Poor communication – charities and banks speak different languages

The real-world impact:

- Debanking / having accounts frozen or blocked
- Unsafe banking practices
- Delays with receipt of funding
- Risks to service provision
- Longer term impact on the morale and effectiveness of trustees and volunteers

THE BENEFITS OF BANKING WITH A SPECIALIST PROVIDER

Find a partner that meets your needs and reflects your brand

- CAF Research shows that a third of charities say their bank doesn't understand their needs
- How will you interact with your bank?
- Increasingly charities are seeking to ensure their suppliers match their core values

Work out your essentials

- CAF Research: new banking partner "absolute essentials":
- Smooth user experience online (58%)
- Easy process for multiple signatory authorisation (67%)
- Easy process for changing responsible people / signatories (55%)
- 2-Factor Authentication (63%)

Specialist providers understand charities

- They speak the language of charities (trustees vs directors; profit vs surplus etc)
- They understand how charities operate and are willing to work through more challenging AML, KYC and Sanctions challenges

Dedicated Resource

- Many specialist providers are able to dedicate more resource to working with charities and helping them navigate challenges
- Relationship managers and dedicated call centre staff

Making your finances go further

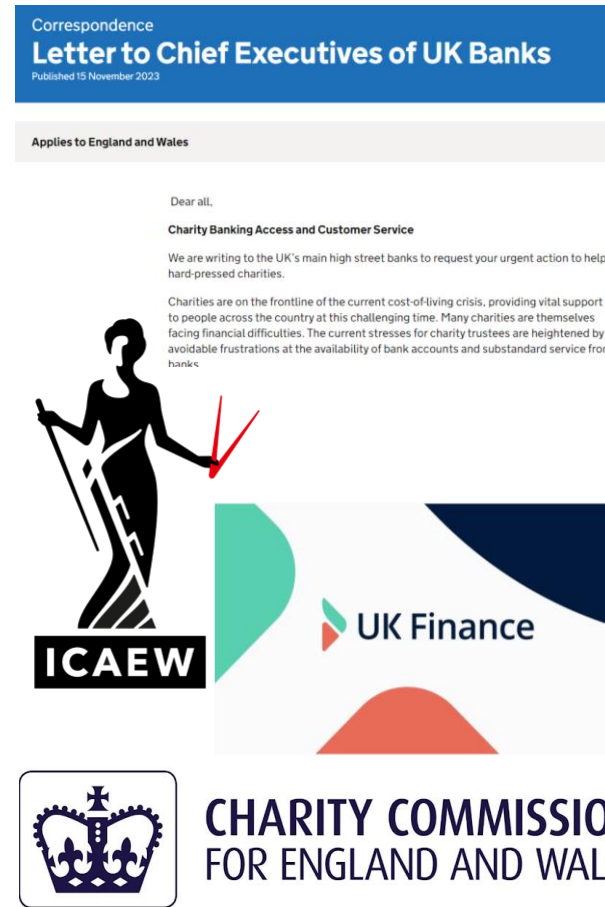
- Current accounts
- Instant access savings accounts with competitive interest rates
- Term deposits: 30/60/90-day or longer
- Access to investment options that reflect charity's ethos and values

ENGAGING WITH YOUR BANK FOR BETTER OUTCOMES

What can you do to engage more effectively with your bank to achieve better outcomes ?

- **Shop around:** Find a bank that best meets your charity's needs. Lots of helpful online guides are available including:
 - Charity Digital
 - Charity Excellence
 - Charity Finance Group
 - UK Finance Voluntary Organisation Banking Guide
- **Get your governance right:** Ensure governance is in line with Charity Commission and relevant regulators' guidance.
- **Finance:** Help finance staff to understand what banks will require
- **Consumer Duty:** know what banks need to do
- **Pro-active communication:** Communicate with your bank ahead of doing things that could raise red flags
- **Promptly respond to communications from your bank**

THE INDUSTRY RESPONSE TO CHARITY BANKING CHALLENGES



- **Banks are working with industry partners** to improve dialogue and tackle the challenges around charity access to Banking
- **UK Finance** 2024 Voluntary Organisation Banking Guide developed with banking partners. Provides impartial help to charities on selecting and managing the right bank account for their circumstances
- **Charity Commission** published guidance to charities on how to identify the right bank account for their needs
- **Charity Finance Group** launched the Charity Investment Governance Principles in January 2025 to support charity leaders and trustees
- **Increased scrutiny and media coverage** of poor service being provided to charities is bringing both awareness and change
- **Ethical, specialist providers are growing** thanks to supporting charities through bespoke services. Charity and finance sector organisations continue to drive forward action to strengthen and improve charity banking provision

THANK YOU – Q&A?

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UK Charity Bank
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