

Greener, fairer banking

Choosing an ethical bank account
for your church



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Contents



Why does our banking matter?	3
Why switch bank?	4
Choosing a greener, more ethical bank	5
Comparison tables	
• Services provided and account features	6
• Ethical considerations	7
• Greener banking	8
Taking action	9
Frequently asked questions	10
What next?	12



Why does our banking matter?



When we leave money in the bank, it does not sit idly – it acts in the world.

What do you know about your church's bank? Who does it 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? Is it working to tackle financial exclusion?

Being wise stewards of the money that we receive as a gift, first from God and then from church members, means taking steps to ensure that this money is acting for good and not for harm.

Micah 6:8 calls us to *act justly, love mercy and walk humbly with God*. As Christians, we should seek to apply these principles across our actions, including our approach to money. This resource explores what it might look like to align our banking with the call to *act justly*.

Our choice of bank, and our engagement with the banking sector, can be part of our contribution to shaping a fairer, greener world.

We can choose to champion banks that treat people fairly, avoid involvement with harmful sectors and use finance to tackle inequality and the climate crisis. These are the banks that are transforming the banking system for the better.

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

Matthew 6:21

Why switch bank?



In the UK the market is dominated by the ‘Big Four’ banks: Barclays, HSBC, Lloyds, NatWest. Lots of churches bank with them, but there’s a growing movement to switch away from the big high street banks to greener, more ethical banks.

Big banks offer convenience and a range of services, but they also provide finance to companies that are causing harm to people and planet.

Barclays and HSBC, for example, have collectively invested over \$335 billion in fossil fuels since the Paris Climate Agreement was signed in 2015, making them the two worst banks in Europe for financing climate change.¹

It’s not just fossil fuel financing. Barclays, HSBC and NatWest have all provided finance to Glencore, a mining company that has been “widely criticised for its tax avoidance; poor health and safety conditions in many of its mines; its bad track record on environmental pollution; and for benefitting from child labour.”²

Look closely, and you may find that your bank is lending to and investing in sectors that don’t align with your church’s values.

Switching to a greener, more ethical bank sends a strong message that things need to change. Ethical, transparent and sustainable finance needs to become the norm if we are to take care of God’s creation and help shape a fairer, greener world for future generations.

“Big banks offer convenience and a range of services, but they also provide finance to companies that are causing harm to people and planet.”

Choosing a greener, more ethical bank

In this resource we compare **four banks** that offer charity or business accounts suitable for use by churches.

These banks have been selected because their purpose, values, structure and/or lending and investment policies demonstrate a close alignment with what churches and charities may be looking for in a greener, more ethical bank.³

CAF Bank	The Co-operative Bank	Reliance Bank	Unity Trust Bank
cafonline.org/caf-bank	co-operativebank.co.uk	reliancebankltd.com	unity.co.uk
Why has this bank been selected?			
<p>Owned by a charity - the Charities Aid Foundation (CAF). Provides banking services to charities and organisations with social purpose.</p> <p>The bank's profits help fund CAF's work supporting the charitable sector.</p>	<p>Has a wide-ranging customer led Ethical Policy.</p> <p>Founded on co-operative values but bought out by private shareholders in 2013. Despite concerns around its ownership, it is one of the most ethical high-street banks.</p>	<p>Part of The Salvation Army, Reliance Bank gives up to 75% of its profits to The Salvation Army International's evangelical and charitable work.</p> <p>Prioritises its business lending to organisations delivering positive social impact in the UK.</p>	<p>Supports organisations that contribute community, economic, social or environmental benefit to society.</p> <p>Lending is aligned with the United Nations' Sustainable Development Goals.</p>

Triodos Bank is no longer included in this comparison as the bank is not currently offering business and charity accounts to new customers. It remains a green option for individuals and is scored highly by Ethical Consumer.

New challenger or app-based banks are not yet included in this comparison as they are less likely to offer accounts tailored to charities or churches. See FAQs on p10 & 11 for further information.

³ Restrictions may apply. You may need to be a registered charity to open an account. See notes on individual banks.

Services provided and account features

NOTE: The banks below are all covered by the Financial Services Compensation Scheme (FSCS) which protects £85,000 per depositor per bank.

Service or feature	CAF Bank	The Co-operative Bank	Reliance Bank	Unity Trust Bank
Account	CAF Cash Account	Community DirectPlus Account	Charity Current Account	Business current account
Current Account Switch Service	✗	✓	✓	✓
Physical branch	✗ Can pay in cash & cheques at HSBC or RBS. Pay in cheques at any Post Office.	✓ Use Branch locator on website to find your local branch.	✗ Can access counter services at NatWest and RBS.	✗ Can pay in cash & cheques at the Post Office, NatWest, RBS or Ulster Bank.
Fees	£5 per month	No monthly fee	£7.50 per month plus credit & debit fees	£6 per month (plus credit & debit fees if turnover above £100k)
Card facilities	✓ CAF Bank Mastercard® Business Card	✓ Visa Debit card	✓ Visa Debit card	✓ Unity Corporate MultiPay charge card in partnership with Lloyds bank. £3 monthly fee per card.
Online banking and dual authorisation	✓	✓	✓	✓
Interest paid	✓	✗ But offers savings accounts	✗ But offers savings accounts	✗ But offers savings accounts
Notes		You must be a registered charity to open this account	You must be a registered charity to open this account	

Ethical considerations

This comparison of the four banks uses research from Ethical Consumer and independent accreditation schemes to highlight ethical considerations.

Ethical Consumer is an independent, not-for-profit co-operative that researches the social and environmental records of over 40,000 companies, brands and products. They rate banks on investing and lending policies, environmental reporting, transparency and tax practices, giving them a score out of 15. Ratings used with permission. Access their full research for a small annual subscription. Learn more at ethicalconsumer.org.

For comparison, HSBC and Barclays both score 0.5 in Ethical Consumer’s ratings. NatWest scores 2 and Lloyds scores 5.

Ratings	CAF Bank	The Co-operative Bank	Reliance Bank	Unity Trust Bank
Ethical Consumer score (out of 15)	6.5	12.5	12.5	12
Member of Global Alliance for Banking on Values (GABV)	✗	✗	✗	✓
Fair Tax Mark Accredited Organisation	✗	✗	✗	✓
Accredited Living Wage Employer	✗	✓	✗	✓

Global Alliance for Banking on Values (GABV) is a network of independent banks using finance to deliver sustainable economic, social and environmental development. UK members include Triodos, Charity Bank, Ecology Building Society and Unity Trust Bank. Only Unity Trust Bank provides current accounts suitable for churches and charities. gabv.org

Fair Tax Mark Accredited Organisation - the gold standard of responsible tax conduct. fairtaxmark.net



Accredited Living Wage Employer - certified by the Living Wage Foundation. livingwage.org.uk

Greener banking



Most big banks give significant financial support to sectors that are harming God's creation, such as fossil fuels and single-use plastics.

Working towards an Eco Church award? Switching to a greener bank will help you make progress in the Lifestyle section of the Eco Church survey. ecochurch.arocha.org.uk

There is no clear definition of a green, sustainable or fossil-free bank, but we've compared the four banks on their commitment to combatting the climate crisis and reducing their environmental impact. Sources of information include Ethical Consumer and the banks' own websites, annual reports, impact reports and policies.

CAF Bank	The Co-operative Bank	Reliance Bank	Unity Trust Bank
<p>Limited information on the bank's website about its lending and investment policies.</p> <p>CAF is developing a green loan scheme for charities wanting to undertake sustainability projects.</p>	<p>Has a strong customer-led Ethical Policy which prioritises environmental issues.</p> <p>Does not finance the exploration, extraction or production of fossil fuels.</p> <p>Working towards being a lifetime carbon neutral bank (calculating and offsetting historic carbon emissions since 1872).</p> <p>Best Ethical Consumer rating for environmental reporting.</p>	<p>Does not provide banking services to organisations that have a negative impact on the planet, including deforestation, fossil fuels, hazardous substances and mining.</p> <p>Ethical Policy states that the bank does not provide banking services to organisations that have a negative impact on the planet, including deforestation, fossil fuels, hazardous substances and mining.</p>	<p>Does not provide banking services to organisations involved in fossil fuels extraction and refinement, environmentally harmful chemicals, or unsustainable harvest of natural resources.</p> <p>Currently developing a sustainability plan (see Impact report 2022: unity.co.uk/impact-report).</p>

Has your church declared a climate emergency or made a net zero commitment? Switching to a greener bank is a practical action you can take to align your finances with your climate action.

Taking action



We hope this resource helps you make the case for greener, more ethical banking in your church. You should now have the tools to make a theological case for why banking matters, an understanding of how your bank might be investing in ways that are counter to your values, and a good assessment of the more ethical options available.

We appreciate that there is no one-size-fits-all solution – your church may have particular needs that make some options unsuitable.

If you don't hold a finance role in your church, we encourage you to start a conversation with your church treasurer that is positive and collaborative, bearing in mind the challenges of their role and offering support with the switching process.

“Speak out, judge
righteously, defend
the rights of the poor
and needy.

Proverbs 31:9

If you do end up switching, don't do it silently! Tell the story of why you switched in your local press and church publications, and explain to your former bank why you are leaving them – this all adds to the social momentum for change in the banking sector. We have a template letter for you to use here: justmoney.org.uk/template-bank-switch-letter

Please do stay in touch with us at info@justmoney.org.uk. We can offer support and further information, and would like to share your story for others to hear!

Become a JustMoney Champion. If you'd like to connect with others who are passionate about the just use of money, join our JustMoney Champions network: justmoney.org.uk/champions. Champions engage others in their church or community in reflection and action on issues of money, faith and justice.

Frequently asked questions



Are there green, ethical options for savings accounts?

The four banks covered in this resource do offer savings accounts but there are alternative options that specialise in providing savings accounts to churches and charities.

Charity Bank is highly rated by Ethical Consumer (scoring 15.5 / 20). 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).

You may want to explore ethical options for investing that still give you easy access to your funds. **Epworth** is an investment manager dedicated to serving the needs of Churches and Charities, and has a **Cash Plus fund** with same day access. **CCLA** also offers a **Charities Deposit Fund** for short-term investment.

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: findyourcreditunion.co.uk

How ethical are the new 'Challenger' or 'App-based' 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 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

What about customer service? Are ethical banks any better?

Customer service is clearly an important factor for churches and charities alongside a bank's ethical credentials. Smaller banks often won't have the range of services that a large bank can offer or 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.co.uk](https://www.which.co.uk) or [TrustPilot.com](https://www.trustpilot.com).

We can't switch at the moment. 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. We've been engaging with HSBC on their financing of single-use plastic producers and polluters. We are also calling on businesses and banks to act in ways that shape a fairer, greener future. Get involved here: [justmoney.org.uk/speak-out](https://www.justmoney.org.uk/speak-out)

What next?



Feedback and questions

We revise this resource regularly and welcome feedback to ensure it meets the needs of churches and charities. Please email info@justmoney.org.uk with your feedback or questions about ethical banking.

If you've switched bank after using this resource, please let us know.

Links

Explore other JustMoney resources including Ethical Buying Guide for churches justmoney.org.uk/money-makes-change-hub

Ethical Consumer's guides to ethical money

ethicalconsumer.org/money-finance

Switch it Green: mobilising individuals to switch to greener banks

switchit.green

BankTrack: discover more about banks and the activities they finance

banktrack.org



Disclaimer: The JustMoney Movement 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 organisations. Any reference to such products or services is by way of example only. None of the information contained within this resource 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 or organisations during or following participation in its programmes or use of its resources.

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