



Press release

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Beware fool's gold, says CCLA chief

Charities risk a repeat of the sector's Icelandic bank losses if they seek out unrealistically high cash interest rates, the head of the UK's largest charity fund manager has warned.

Michael Quicke, chief executive of CCLA, is concerned that some trustees are so desperate to increase the income from their cash deposits, they will fail to ask enough questions about the institutions offering interest far above market rates.

He said: "Charities are being targeted by some small banks and those with weaker credit ratings. These institutions can't attract lending from within the banking sector, so they are willing to pay retail investors and charities to help them shore up their balance sheets."

Trustees should be especially careful when considering deposits with lengthy notice periods, added Quicke. Fixed term deposits were blamed by many investors for their losses in the Icelandic banking collapse.

Quicke advised: "If charities want to get the best rates available without compromising security, they should look for a well diversified cash fund with a top security rating."

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Notes to editors

About CCLA

CCLA is the leading manager of UK charity investments by assets under management or number of clients.

We offer segregated and pooled funds, and our deposit fund delivers consistently competitive interest rates, easy access and the comfort of the highest money market credit ratings. The total deposits managed by CCLA for charities now totals over £2.5bn. The deposit funds use scale and diversity to pay depositors an interest rate which is currently notably higher than the Bank of England's official bank rate. They also offer trustees the security of placing their funds with a large number of separate banks, significantly improving the security of their deposits.

CCLA is entirely owned by its not-for-profit sector clients and is authorised and regulated by the Financial Services Authority.

For further information visit www.ccla.co.uk