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High street banks and building societies fail to serve churches and charities in Scotland: CCLA recommends benefits of a dedicated charitable deposit fund

Churches and charities in Scotland are being badly served by high street banks and building societies, according to CCLA, the investment company owned entirely by its charity, faith and local authority customers.

At a time when church organisations are struggling to raise funds in an increasingly competitive environment, many banks and financial service companies are keeping interest rates low to their charity, treasury and club account customers. In many instances, banks pay higher rates of interest to their commercial customers than to their not for profit customers.

Trustees of churches, charities, schools, and trusts are unable to place their funds in personal savings accounts and instead are encouraged to place their savings into charity, treasurer's, community and club accounts, many of which have interest rates at 2% to 3% below the Bank of England's official bank rate, presently 5.75%. See table below:

Bank	£1+ Interest Rate (AER)	£100,000+ Interest Rate (AER)
Bank of Scotland (Treasurers Account-Halifax)	1.75%	4.10%
Clydesdale Bank (Cash Management Account)	1.91%	3.55%
Dunfermline Building Society (Treasurers Deposit)	2.05%	4.00%
Lloyds TSB (Business Instant Access)	3.30%	3.40%
Royal Bank of Scotland (Business Instant Access Reserve)	3.29%	3.29%

Scottish Building Society (Treasurers Account)	2.36%	3.33%
Scottish Widows Bank (Treasury Tracker Call)	5.25%	5.35%
Standard Life Bank (Business Direct Access)	4.33%	4.43%

CCLA's Charities Deposit Fund provides instant access with a high earning interest rate of, 6.01% (Annual Equivalent Rate A.E.R.).

The ability to access funds quickly is a key requirement for organizations, such as smaller church charities with irregular income streams, yet many thousands of them find themselves excluded from reaping the benefits of higher interest rates because of the need to access their money quickly.

Michael Quicke, CCLA's Chief Executive, is calling on churches and charities in Scotland to protect their income by supplementing their current banking arrangements and opening a higher earning deposit fund account. He said: "There's a misconception that small church charities for example, can't access the benefits of the sterling money market because of their small size and their need for instant access. We are telling them to shop around and ask CCLA about the Charities Deposit Fund in order to maximise their income."

The Charities Deposit Fund, managed by CCLA, is specifically designed to meet the needs of organisations of all sizes, complementing existing banking arrangements.

Notes to Editors

For further information on CCLA visit www.ccla.co.uk, Freephone:0800 022 3505

CCLA's Charities Deposit Fund is available to any charity registered in Scotland, England, Wales and Northern Ireland. The Deposit Fund is rated Aaa by Moody' Investors Service, the highest achievable rating. The fund has no fees and free BACs transfers.

CCLA are pioneers of socially responsible investment, and are committed to a constructive engagement with companies and other organisations to achieve a positive agenda for change. CCLA has an award winning team that provides SRI and corporate governance services to our funds and works on a consultancy basis for a number of external funds.

Links for data in table

<http://www.ccla.co.uk/>

http://www.bankofscotlandhalifax.co.uk/savings/nonpersonalrates.asp#Hx_Treasurers_Account

<http://www.cbonline.co.uk/0,,70877,00.html>

<http://www.dunfermline.com/ManagedPage.aspx?id=91&context=2:740,2883,743>

<http://www.lloydstsbbusiness.com/ratesandcharges/savings/savingsrates.asp>

<http://www.rbs.co.uk/business/savings-deposits/g3/current.ashx>

http://www.scottishbs.co.uk/view_Subproduct.asp?fld_product_id=4&fld_sub_product_id=25

http://www.scottishwidows.co.uk/bank/savings/treasury_interest_rates.html

http://uk.standardlifebank.com/content/savings/rates/rates_table.html?type=savings&category=businessaccount&orderby=name&orderdir=ascending&mode=table&ifaf=false

For further press information on CCLA please contact:

Hilary Carter Tel: 0789 013 7074 email: hilary@societymedia.co.uk

Helen Bishop Tel: 020 8980 0013 email: helen@societymedia.co.uk

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