



For immediate release

25th June 2008

The UK banking sector is failing charities, warns CCLA

Specialist charity, church and local authority investment company, CCLA, has warned charities that they are being badly served by the UK banking sector, and that they should urgently shop around for higher earning deposit accounts in order to make their money work as hard as possible during the 'credit crunch'.

As a recent survey¹ reveals that 31% of regular donors are expected to donate less in the near future as a direct result of the 'credit crunch', many banks and financial service companies are offering poor interest rates to their charity, treasury and club account customers at a time when charities are most in need.

"Charities are bracing themselves for a serious drop in consumer giving as concern over mortgages and the credit crunch hits the general public," says James Bevan, CCLA Chief Investment Officer. "Generating income from savings is now critically important, yet most high street banks are failing to deliver fair financial returns to charities. We are advising churches and charities to shop around for high earning deposit accounts in order to maximise their income."

The 800,000 charity trustees in England and Wales are unable to place their funds in personal savings accounts and instead are encouraged to place their savings into charity and club accounts, many of which have interest rates 3% below the Bank of England's official bank rate, presently 5.00%.

¹ Source: NEMS Market Research based on a survey of 500 members of the public

Furthermore, the ability to access funds quickly is a key requirement for smaller 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.

Institution²	Account Name	Notice Period	Interest Rate AER %*
HSBC	Business Money Manager Instant Access (available for charities)	No Notice	2.56
Britannia Building Society	Clubs and Charities	No Notice	3.50
Halifax	Treasurers	No Notice	3.35
Nationwide Building Society	Treasurers	No Notice	2.52
Barclays	Business Premium Account	No Notice	1.964
Scottish Widows Bank	Treasury Tracker Call	No Notice	4.70
CCLA	COIF Charities Deposit Fund	No Notice	5.61

*Rates correct as at 23 June 2008

Says CCLA Chief Executive, Michael Quicke: “We know how hard charities work to raise funds, yet all the time we see their hard won cash failing to earn the interest they deserve because the banks and building societies are keeping rates well below the Bank of England rate.”

“There’s a misconception that small charities can’t access the benefits of the sterling money market because of their small size and their need for instant access. We are telling charities to shop around and to ask CCLA about their COIF Charities Deposit Fund in order to maximise their income.”

Ends

²Sources:

<http://www.hsbc.co.uk/1/2/interestrates/businesssavings;jsessionid=0000dXuYMp2u02nZLwFgP2daFK4:11j74lc1v>

http://www.britannia.co.uk/c_savings/product/clubs_charities/prod.html

<http://www.halifax.co.uk/savings/nonpersonalrates.asp>

<http://www.nationwide.co.uk/savings/rates.htm?source=nationwide&campaign=interestrates&execution=savings>

http://www.business.barclays.co.uk/BBB/A/Content/Files/4528_Int_Rate_1_FSheet.pdf

http://www.scottishwidows.co.uk/bank/savings/treasurytracker_rates.htm

For further press information, or for further commentary from CCLA please contact:

Maranda Jones Tel:07798520892 email: maranda@societymedia.co.uk

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

Notes to Editors

1. CCLA is an independent company owned by its charity, faith group and local authority clients. It provides the widest range of common funds designed specifically for the charity market and looks after more charity clients than any other UK investment manager. It currently manages accounts totalling £5 billion of funds.
2. CCLA continues to pioneer ethical and responsible investment, and provides the Secretariat to the Church of England's Ethical Investment Advisory Group.
3. CCLA's COIF Charities Deposit Fund is available to any charity registered in the UK. The Deposit Fund is rated AAA/V1 by Fitch Ratings and has free BACs transfers. Note: CCLA also has a separate deposit fund that is specifically available for churches and organisations associated with the Church of England. For further information on CCLA and its products visit www.ccla.co.uk or freephone:0800 022 3505