

# SCVO fundraising review 2015: A report on the survey findings

## 1 Context

This report presents an analysis of a survey carried out by SCVO to inform SCVO's review into fundraising regulation.

The survey was an opportunity for charity fundraisers, charity employees and volunteers, as well as the wider public to highlight areas of concern and key areas where fundraising practice could be strengthened and improved.

The wider context for this report, and the SCVO review which it was designed to inform, is a response to developments at UK and Scottish levels.

- A review of the UK-wide self-regulatory system for fundraising, led by Sir Stewart Etherington from NCVO, was announced in July 2015.
- This was followed shortly afterwards by the announcement of an informal Scottish review by the Scottish Government, given devolved competency over charity regulation.
- SCVO was asked by Scottish Government to carry out this informal review.
- SCVO subsequently carried out a number of research activities to inform this review, including the survey upon which this report is based.

This report should be seen as an interim analysis focusing on the problems with fundraising regulation highlighted by respondents to the survey. It is important to note that a lot of positive views were also expressed in the survey about the work done by charities, which is not fully reflected here.

### 1.1 Scotland's voluntary sector charities

The Scottish third sector encompasses an estimated 45,000 voluntary organisations, of which around half are registered as charities. From small grassroots sports groups, pre-school day care, self-help groups, health and well-being services, culture and arts venues, village halls, housing and major social care providers, the third sector plays a key part across all walks of Scottish life today.

Last year voluntary sector charities spent around £5billion on providing these many services and activities. 11% of the sector's funding (£537m) comes from donations from individuals. For many charities donations are their most vital source of funds.

4 out of every 5 Scottish charities derive some of their income via donations from the general public – in other words around 18,000 charities carry out some form of fundraising.

## 1.2 Fundraising in Scotland

According to [CAF research](#), people in Scotland give the second highest average amount (£16 per month on average) after London, and have the second highest proportion of the population giving to charity (61%). Last year income from the general public grew by a modest but healthy 9%, thanks to many charities working hard to develop new donors and investing in new fundraising strategies. This increase in donations has helped many charities continue to provide essential services in the face of public sector cuts.

However, the summer of 2015 saw unprecedented attention focussed on fundraising, sparked by the death of Olive Cooke. Whilst the concerns primarily originated in England, Scottish fundraising has not been immune from criticism. Earlier in 2015 The Kiltwalk had come under scrutiny due to the proportion of its income passed to other charities.

Only 100 (0.5%) charities operating in Scotland employ fundraising agencies. Similarly, only a small number of very large charities have the capacity and resources to engage street fundraisers (so-called 'chuggers') or telephone fundraisers. These often very high profile fundraising practices are both unpopular with the public and of concern to the charity sector itself due to the potential reputational risks and damage to trust. Clearly then, thousands of charities do carry out fundraising responsibly on a daily basis, without causing discomfort to donors.

## 2 Summary of survey findings

This report pulls together the findings of an online survey of fundraisers, third sector employees, volunteers and the general public. The survey was primarily designed to find out more about the key thoughts, issues and concerns of those working in, or close to, the charity fundraising environment.

Views given are therefore relatively highly informed and reflective 'insider' perspectives on fundraising and the complex fundraising landscape, or are the views of individuals who have had personal experiences of fundraising (negative and positive). This level of detailed opinion on fundraising is not collected in standard 'charity' surveys of the general public.

### 2.1 Key findings

- Respondents were keen for the fundraising review to recognise that there is a lot of good practice in fundraising by charities, and to take a proportionate view of the landscape and priorities in Scotland.
- A small number of fundraising practices carried out by just a small number of larger charities or contracted agencies are the source of the majority of complaints and concerns.
- A lot of examples were also given of smaller charities involved in minor infringements of fundraising practices. Some respondents caveated this as a

lack of experience and knowledge around fundraising regulation, and low levels of awareness of good practice guidance and support resources.

- Regulators and charities were perceived to be unclear on their individual roles and responsibilities and how they best work together to support and improve fundraising.
- Where the public does have a concern, respondents felt it is often unclear where they can make a complaint, and to have confidence in that complaint being dealt with.
- However, there was an overall preference for fundraising regulation that focuses on promoting good practice, rather than on responding to complaints.

## **2.2 What respondents felt about current fundraising practice**

- For most respondents trust in charities to fundraise responsibly has not changed. However, there has been a small decrease in overall trust, primarily due to negative media stories highlighting poor practice but also other stories such as high senior salaries and fundraised income being used for overheads.
- The general public respondents showed far lower levels of trust than those more familiar with the sector. Members of the general public and volunteers were also more likely to say that their trust in charity fundraising has decreased over the last year.
- The Olive Cooke case, as well as other negative stories in the media, were mentioned by numerous respondents. While some felt that these stories raise some valid concerns regarding certain fundraising practices, most expressed a wish that the review is not a knee-jerk reaction in response to negative media coverage. Respondents want the review to take a long-term, supportive view that recognises that fundraising is carried out responsibly for the most part.
- Respondents were split on whether charity fundraising is sufficiently regulated – 39% feel that it is, 27% feel it isn't, and a third of respondents (33%) did not know.
- Most respondents felt that self-regulation is the way forward, but want to see fundraising codes firmed up, and for regulation to be simplified and strengthened.
- Only 6% of respondents think that the general public is clear enough about how they can complain about fundraising. Only 2 members of the general public thought the public are clear about how to complain.
- Most members of the public had never heard of the fundraising regulators, and also did not trust charities themselves to deal with complaints properly – their preferred routes for complaints were OSCR and the police, with many saying they would not complain at all, but would just not donate to that charity in future.
- Respondents recognised the important role of fundraising but many highlighted the need for charities to take a long-term view – building a strong supporter base through quality communication, and not viewing donors as short-term targets.

## 2.3 What respondents said could be improved

Trust in charity fundraising remains high in Scotland, but has seen a drop in the last year. While some of this loss of trust is due to negative personal experiences, the main driver has been negative stories in the media about fundraising but also wider issues, e.g. Kiltwalk, Kids Company and CEO salaries.

Survey respondents in the main felt that the key elements of regulation and self-regulation of charity fundraising are in place but could be improved by:

- Firming up existing legislation
- Ensuring that existing codes are adhered to
- Ensuring that charities have clear and effective complaints procedures
- Increasing awareness and membership of bodies such as the Institute of Fundraising (IoF)
- Ensuring that the regulators have a higher profile with the general public

**Larger charities** should be subject to greater regulation; encouraged to become members of IoF/Fundraising Standards Board (FRSB); encouraged to sign up to Codes and avoid using unpopular fundraising techniques.

**Smaller charities** should be made more aware of good practice resources and be encouraged to become members of relevant bodies e.g. IoF.

**General public** should be able to raise concerns easily and know how and where they can do this.

**Regulators** need to ensure that the regulation landscape is less cluttered.

**Best practice** and **transparency** need to be encouraged.

Throughout the survey, respondents highlighted the unique charity, fundraising and regulatory landscape of Scotland. Main concerns were:

- That the review reflects the charity finance landscape in Scotland, where charities tend to be much smaller.
- That the review recognises that few Scottish charities are large enough to fundraise via the more controversial methods, e.g. on-street / door to door / telephone.
- Some suggested a Scottish fundraising regulator, or strengthening the role of existing regulators in Scotland (such as a Scottish FRSB, stronger links between FRSB and OSCR or widening OSCR's role).

**From the survey, the general preference was for a regulatory environment that promotes good practice, as opposed to a reactive, complaints-driven process. Many respondents highlighted that even in the absence of laws being broken or complaints being made, there can still be trust and reputational damage.**

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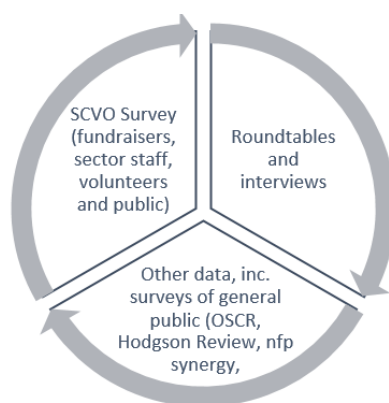
## 4 Methodology

This report pulls together the findings of an online survey of third sector employees, volunteers and the general public to gather views on charitable public fundraising. The survey was open from Monday 3 August until Monday 17 August 2015.

The survey was circulated through a number of channels to ensure a wide range of respondents, including:

- Third Force News
- SCVO members bulletin
- Cascaded through members and intermediaries, including the Institute of Fundraising
- Social media, including Twitter

The survey was designed to complement other evidence sources feeding into the review, including opinion polls and surveys relating to public attitudes to fundraising:



## 5 Results

### 5.1 Respondent profile

Answering this survey as:	Responses	
a paid fundraiser	21.2%	160
other charity employee	45.2%	340
volunteer	7.0%	53
board member/trustee	12.1%	91
a member of the public	11.0%	83
other	3.5%	26
<b>TOTAL</b>		<b>753</b>

Figure 1 Table of respondent profiles

**753 responses were submitted via the online consultation survey.**

It was anticipated that the methodology used for this part of the review would primarily reach paid third sector staff and would provide an insight into how those working in the sector see the current state of fundraising. However, all questions

were worded in such a way that anyone – paid staff, volunteers or general public – could submit their views.

Two-thirds of responses were from people who currently work as fundraisers or are employed in the third sector in other roles. A fifth of responses were from board members or volunteers, which added an important and varied element to the survey responses.

83 responses were from the general public – they made up a smaller part (11%) of the total responses, but these responses allowed us to cross-check to what extent views within and out-with the third sector varied, particularly around trust and awareness of regulators, and if these variations are statistically significant. However, the findings need to be looked at in conjunction with larger surveys of the public as these respondents' views may not be representative of the wider general public – they may be more aware of charities and therefore more positive, or may in fact have been prompted to respond due to negative experiences, and therefore less positive.

## 5.2 Trust

Respondents showed relatively high levels of trust in charities to fundraise ethically and responsibly, with an average rating of 7.21 out of 10 (see Figure 2).

Respondents felt that the general public's trust would be a bit lower than their own, predicting an average rating of 6.56 (Figure 3).

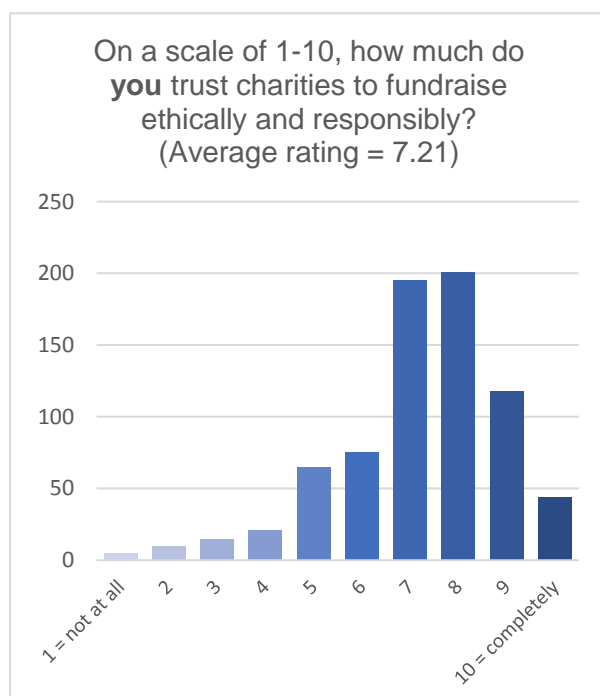


Figure 2 Trust levels of respondents

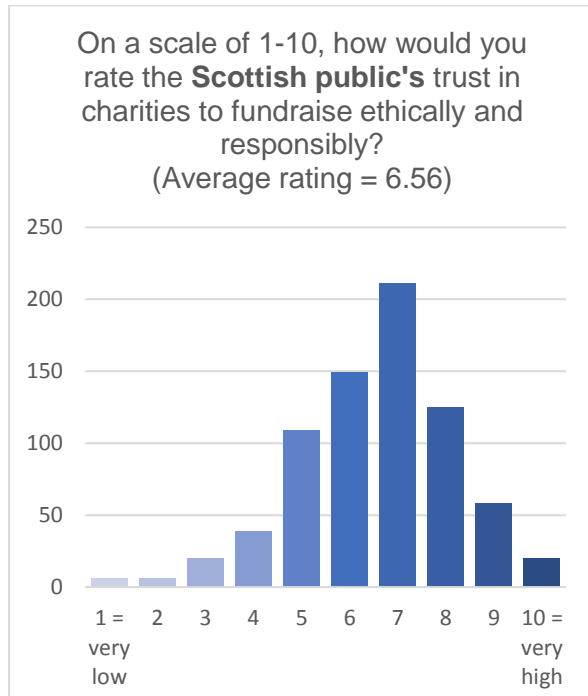


Figure 3 Respondents' rating of the public's trust

## 5.3 Variation in trust by respondent role

The responses to the trust score were cross-tabulated against respondents' roles.

The graph and table in figure 4 below show that (perhaps not surprisingly) paid fundraisers had the highest levels of trust, followed by other paid employees and board members. Members of the public had the lowest levels of trust, with an average rating 6.3, slightly below the score of 6.56 that respondents predicted. Volunteers were just above the general public with an average rating of 6.6.

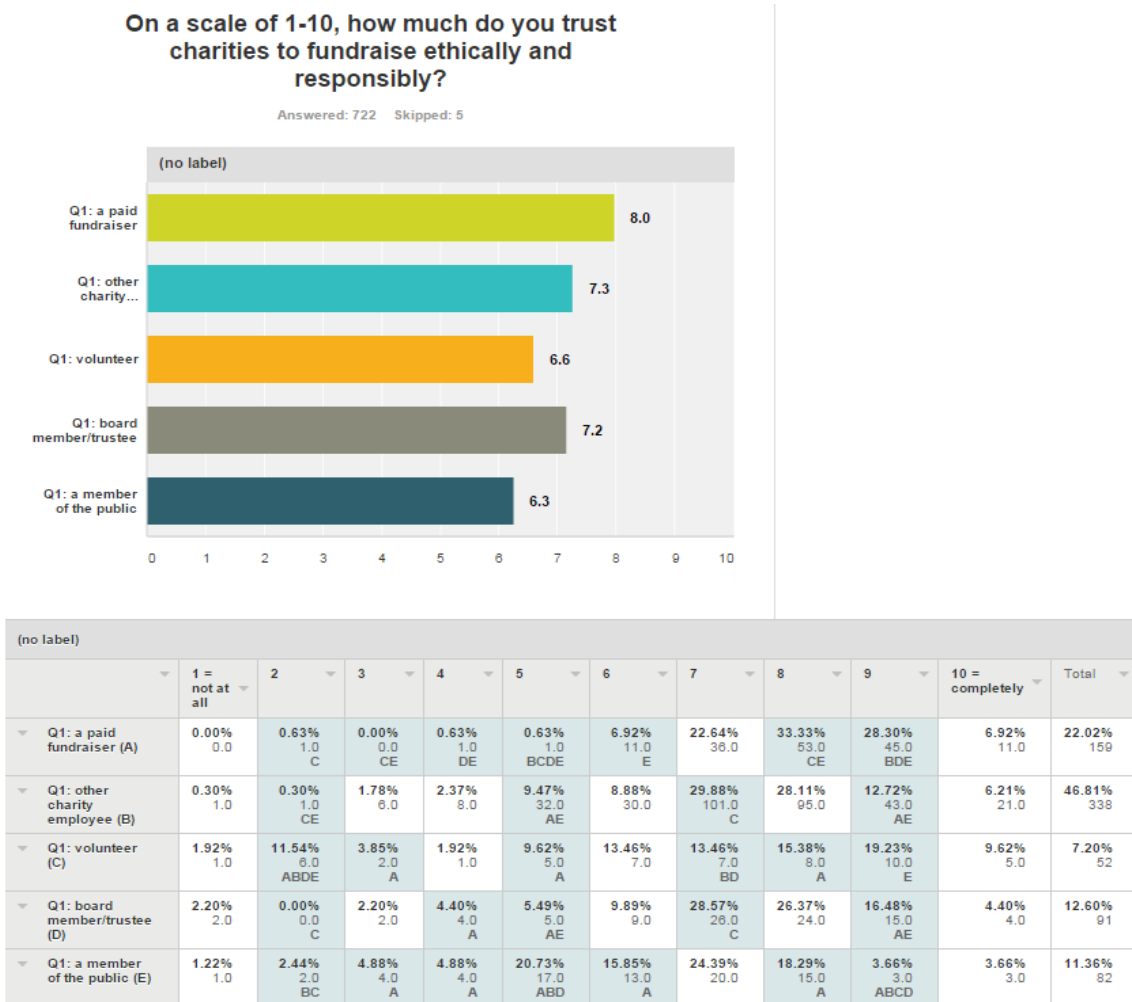


Figure 4 Levels of trust by respondent role



## 5.4 Changes to trust levels in last year

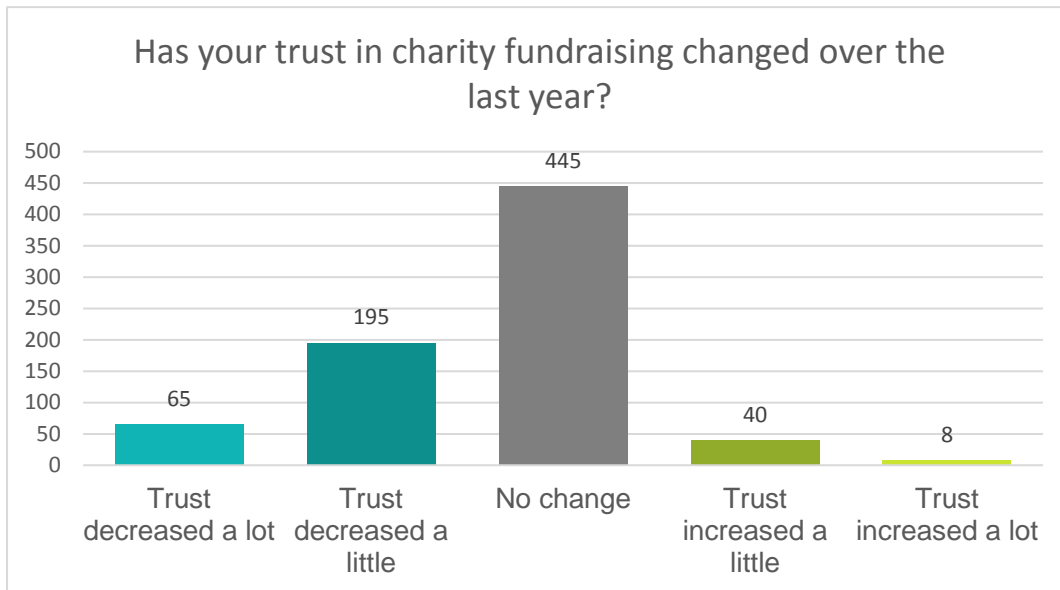


Figure 5 Changes to trust levels

Respondents were asked whether their trust in charity fundraising had increased or decreased in the last year.

**The most common response was that there had been no change – 3 in 5 respondents (59%) felt that their trust in fundraising had remained unchanged.**

6.4% of respondents said that their trust had increased, primarily due to increased familiarity with charity fundraising:

*“The longer I spend in the sector, the more I see the high standards fundraisers set to ensure donors get the best care possible”*

*“When I became a trustee I learned about the law which controls charities and experienced the rigorous processes which are applied”*

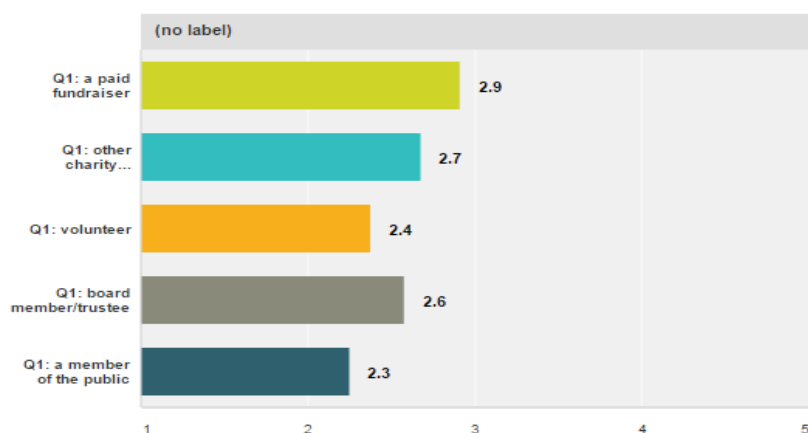
**However, a third of respondents felt that their trust in fundraising had decreased.**

26% said their trust had decreased a little, while a smaller number (8%) said it had decreased a lot.

From the graph and table in Fig 6 below we can see that while some paid fundraisers and charity employees were among those who had lost trust, again it was volunteers and the general public who tended to have lost the most trust.

## Has your trust in charity fundraising changed over the last year?

Answered: 726 Skipped: 1



(no label)						
	Trust decreased a lot	Trust decreased a little	No change	Trust increased a little	Trust increased a lot	Total
Q1: a paid fundraiser (A)	1.25% 2.0 CDE	18.75% 30.0 B	69.38% 111.0 CDE	8.75% 14.0	1.88% 3.0	22.04% 160
Q1: other charity employee (B)	4.72% 16.0 CDE	29.20% 99.0 A	60.47% 205.0 E	4.72% 16.0	0.88% 3.0	46.69% 339
Q1: volunteer (C)	22.64% 12.0 AB	22.64% 12.0	50.94% 27.0 A	1.89% 1.0	1.89% 1.0	7.30% 53
Q1: board member/trustee (D)	12.09% 11.0 ABE	26.37% 24.0	53.85% 49.0 A	6.59% 6.0	1.10% 1.0	12.53% 91
Q1: a member of the public (E)	25.30% 21.0 ABD	26.51% 22.0	45.78% 38.0 AB	2.41% 2.0	0.00% 0.0	11.43% 83

Figure 6 Changes to trust level in last year by respondent role

The key reasons given by respondents for their decrease in trust were:

- Recent negative stories in the media

*“The newspaper coverage surrounding the death of Olive Cooke has probably introduced a little fragment of doubt about how charities raise money that I wouldn’t have been conscious of before. As a member of the public with little or no awareness of these issues, the story does make me more aware, and therefore probably a little less trusting of charities that I am not familiar with.” (Member of the public)*

*“Mainly because of media coverage of cold-calling for fundraising. I realise this is sensationalist though.”*

*“Adverse media coverage of unethical practice plus evidence of irresponsible tactics being used to fundraise.”*

*“As a professional fundraiser I have been disgusted at the attitude of the press to the work of the voluntary sector. There seems to be an anti charity campaign being fuelled by Westminster .*

*“The high profile issues at The Kiltwalk charity were a bit of an eye opener. Also, rightly or wrongly, the death of elderly lady who was involved with the poppy collections really sticks in my mind. The mainstream media did a good job of reporting that her death had in a large*

*part been due to the harassment she received from a number of charities seeking to capitalise not only on her good nature but also her vulnerability.”*

*“There has been much publicity in the press over the last few months (all negative) re how the third sector fundraise. Charities in general have not been good press. The recent debacle with Kids Company has not helped.”*

*“There have been a few scandals over the last few years eg Moonbeams, Breast Cancer Scotland Research. These scandals tar all charities and sets us all back. The big charities have got bigger (possibly too big) squeezing out smaller local charities who are unable to compete in terms of marketing and acquisition spend.”*

*“The high profile issues at The Kiltwalk charity were a bit of an eye opener”*

- Poor personal/ family/friends’ experiences of fundraising

*“My 92 year old aunt's eye-sight is failing so I have started to help her go through her mail. She gives some money to charity so she seems to have become a target for repeated requests for more from the charities she supports and I suspect her address has been sold to others. She also gets repeated phone calls even though she is registered for the opt-out. The result is distressing and it is unclear to me how I can stop it.” (Charity employee)*

- Pushy, hard-sell fundraising

*“I find the aggressive fundraising I see now difficult to stomach. Donated to a charity in the New Year and was plagued with texts and calls for months”*

*“Experience of direct marketing strategies from large national and multi-national charities which has been very poor. Very pushy and too sales like”*

- Charities which are not transparent regarding how the funds will be spent

*“So little of your actual donation goes to the cause itself, much of it is spent on high salaries and expensive advertising”*

*“Because of all the horror stories that we hear about the money raised not being used responsibly and for the purpose which it was intended”*

- Negative press around charities which use fundraised money to pay people’s salaries or pay high salaries to senior staff

Around 20 respondents raised concerns around salaries and/or overly high salaries:

*“Not so much the fundraising 'scandals' that have happened; they could have happened at any time. More that I've learned more about salaries at the top of some of the larger charities. Senior charity salaries compared to the pressure on frontline service delivery salaries are disgusting. And fundraisers are trying to hide that from us.”*

*“Recent press publicity, including the amount spent on non direct charity work - such as high salaries of Chief Executives and others including "benefits”.*

*“Bad press eg CEO salaries”*

*“media exposure to the amount spent on admin / overhead and high salaries for snr management”*

- Negative press around use of call centres and poor practices when sub-contracting paid fundraising agencies

*“Exposure of call centre pressures seeking donations using dubious tactics.”*

*“Too many big organisations using outside agencies for fundraising and then not holding them to high fundraising standards.”*

*There are many key issues that need to be addressed rather than attacks on charities and fundraisers salaries. For example in the recent expose by the Mail it was clear that it was not the fundraisers that need further regulation, but the agencies i.e. call centres or street agencies.”*

- Target-driven fundraising

*“High pressure doorstep and street campaigns to have people sign up for large / regular / legacy amounts, being carried out by people with no empathy for the donor's personal position and uncaring if the donor understands what he's signing up for. Image of the worst kind of smarmy, commission-obsessed sales people and not of volunteers who care about the work of their charity.”*

*“I feel that there is a lot of pressure from Callers or people in the street to reach targets and they have no choice but to use a hard sell.”*

As might be anticipated, changes in levels of trust correlated strongly with whether the respondent had personally experienced poor fundraising practices.

From the table below we can see that people who answered ‘Yes’ to personal experiences of poor fundraising were significantly more likely to say that their trust had decreased a lot or a little. Half (52%) of those who had personally experienced poor fundraising in last year felt their trust in charities had decreased. Of those who had not personally experienced poor fundraising only 20% had felt a drop in trust.

	Trust decreased a lot	Trust decreased a little	No change	Trust increased a little	Trust increased a lot	Total
Q6: Yes (A)	16.82% 56.0 B	35.14% 117.0 B	42.04% 140.0 B	5.11% 17.0	0.90% 3.0	44.76% 333
Q6: No (B)	2.19% 9.0 A	18.00% 74.0 A	72.99% 300.0 A	5.60% 23.0	1.22% 5.0	55.24% 411

Figure 7 Yes/No experience of poor fundraising against changes in trust levels

## 5.5 Personal experiences of fundraising

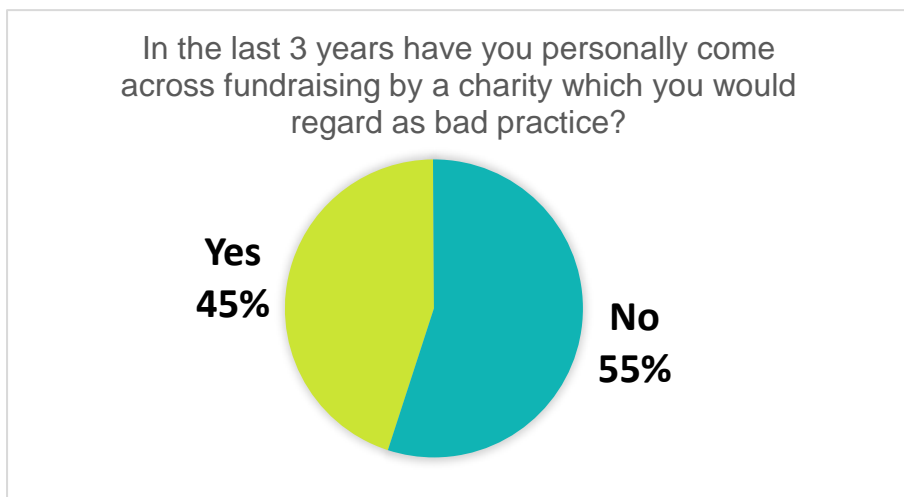


Figure 8 Personal experiences of poor fundraising

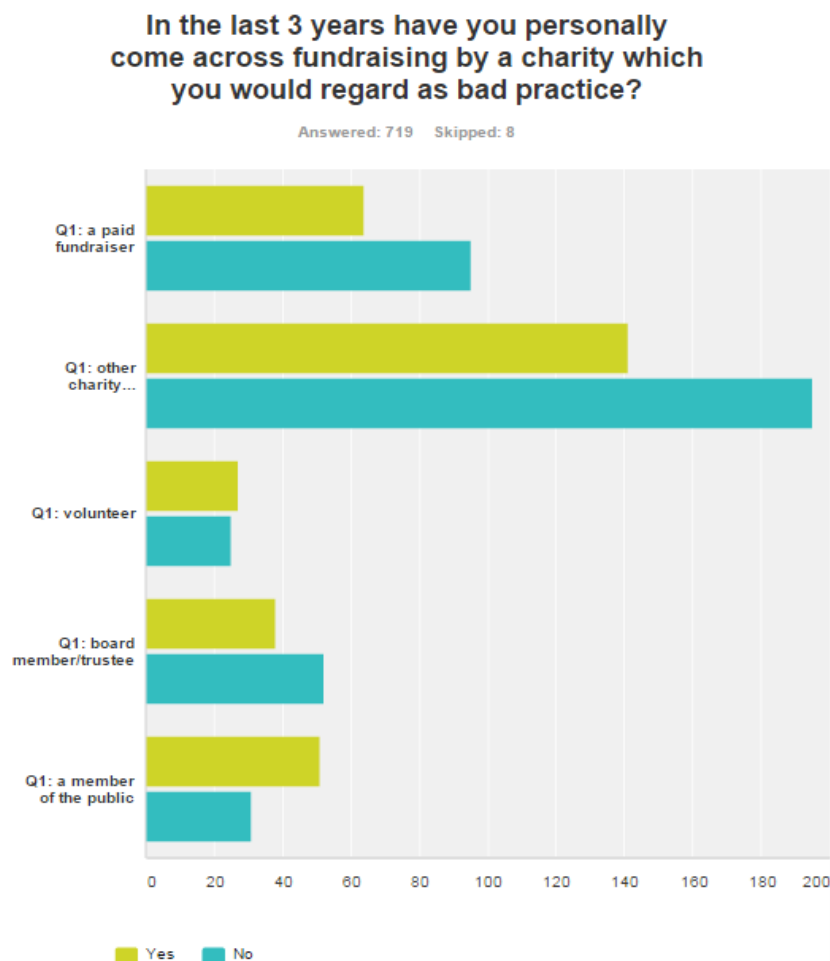


Figure 9 Personal experiences of poor fundraising by respondent role

Around half of the respondents to the survey had come across poor fundraising practices in the last 3 years. While 45% is high, this figure is likely to be far greater than the experience of the wider public for two main reasons:

1. Respondents are mainly employees or trustees in the charity sector and so are more likely to come across and be critical of poor fundraising practices.

*E.g. "What do you mean in 3 years? I see [poor practice] daily in my travels around Scotland (I travel for work). Come on go for a walk. Then again I suppose I tend to look for it."*

2. A large number of the members of the public and volunteers who completed the survey seemed to have responded precisely because they have had a poor experience of fundraising, or wished to share concerns regarding a specific charity that they have had dealings with.

The key areas where respondents had experienced bad practice are very much in line with the findings of other research:

- Street fundraising / 'chuggers'
- Door to door fundraising
- Charities following up donations or Direct Debits to pressure people to increase their donations
- Too many phone calls/ texts
- Vulnerable relatives feeling pressurised
- Charities being misleading about how the donation will be used

### **Recognition that 'fundraising' takes many different forms**

Respondents were keen to highlight that the fundraising practices highlighted by the media and understood by the public as fundraising make up only a small part of the picture:

*"Find it irritating that all fundraisers are now lumped under one title and therefore reputations damaged. I've been a successful fundraiser for over 20 years and have never canvassed anybody to support a charity over the phone!"*

*"A clearer definition must be made of the catch-all terms "Charity" and "fund-raising". What does "funding" and "fund-raising" mean actually. I find that fund-raising covers:- (i) donations from the public - collection (office, school, street, workplace etc.); (ii) donations from the public - events (fun-runs, charity events); (iii) donations from the public - covenants, wills, etc. (iv) funding from organizations - donations from regulatory sources (government agencies); (v) funding from organizations - donations from non-regulatory sources (lotteries etc). (vi) funding from organizations - donations from corporate sources (for Tax relief, PR etc). There are many more types of "funding" and this confuses "the Public" when "funding" and fund-raising" are mentioned in the media."*

### **Unpopular fundraising practices**

A number of respondents highlighted that very few organisations use unpopular fundraising techniques such as door-to-door. It was felt that certain practices should be subject to much tighter regulation, with some suggesting that charities stop using some altogether due to the reputational damage caused:

*“On-street and doorstep fundraising is NOT the way forward for the charity sector, far too many simply people don't like it. Regulatory bodies must have teeth to enforce strict rules on fundraising practices, and ensure that charities are operating within the law, and within a clearly defined ethical code.”*

*“I really wish the door to door fundraisers would stop as it only serves to diminish people's faith in charities and giving.”*

*“Telesales fundraising is only a one type of fundraising. I do not think these people should be called fundraisers they are telesales people who are likely to have no interest or involvement with the charity other than it is a job which they are likely to be paid commission for every person they get involved/to make a donation.”*

*“It upsets me to get direct mailings from charities, even those I support, as they just go straight in the bin - what a waste of money and more than that, resources. I am suspicious every time I give my email address out that I'll get bombarded by messages - charities don't have the monopoly on this though. I get far more cold calls about PPI or boiler upgrades or mobile phones”*

*“We have had numerous problems caused by poor reputation of chuggers and have had to explain we do not condone or conduct it. In fact our charity has been blanket shut out of places because of it, which blocks our ability to have our literature handed out and connecting with the public. It is so frustrating! It is a banker style crash waiting to happen if we do not act NOW and say NO MORE chugging.” (Board member)*

*“I am very displeased with ongoing street collection campaigning - chuggers are NOT the way forward, and I do not support any charity which employs chuggers. We are also experiencing a greater number of doorstep fundraisers, and again I do not support charities who employ these tactics”*

*““Made a 1-off text donation to an international charity, opting out of any further contact in any medium. Monthly and at times weekly since have had cold calls directly to my personal mobile telephone asking for further donations or to support a particular campaign. Each time asked not to contact again. Will never donate via text again to any organisation. Will just pop a fiver in a collection tin when passing rather than risk further unwanted contact.”*

### **Poor fundraising practices of large charities**

Almost all of the specific charities cited by respondents as examples of poor practice were UK-wide household names, although almost always this was due to unpopular techniques employed by agencies or volunteers working on their behalf.

Around a fifth of respondents highlighted specific large charities or large national charities in general as making up the bulk of fundraising complaints.

*“My level of trust hasn't changed in small charities, but larger, nationwide ones.”*

*“The problems with trust in fundraising seem to have been caused by large charities who can afford to run call center, employ agencies, or employ street collectors. However, the*

*damage it causes disproportionately effect smaller organisations who are more vulnerable to changes in donation patterns.”*

*“I think 'big' charities are behaving more and more as corporations- ethics and decency in the big charities has all but disappeared in the pursuit of money. I will now only give to my chosen charities since being pestered by a big charity- I will not donate to big charities at all now.”*

Around ten respondents suggested thresholds for different levels of regulation, to ensure larger charities are subject to stricter regulations or tighter self-regulation.

*“Self regulation does not appear to be working mainly for larger national charities (perhaps an income threshold above which tighter regulation would be applied of say £2.5m would be sensible?).”*

## **Fundraising agencies**

Closely linked to comments about large charities are comments regarding the use of fundraising agencies and issues connected with this, which are primarily around the following areas:

- Lack of clarity regarding ethics, responsibilities and fundraising standards
- Agencies being too focussed on hitting targets
- Agency staff not always knowing enough about the cause
- Poor communication between charities and agencies, including issues around data management, data protection and opting in or out of fundraising communications.

## **Poor fundraising practices of small charities**

While most respondents felt that big household name charities were the source of most fundraising problems, there was also some criticism of smaller charities. Criticisms were primarily directed at money collections which were badly organised or which risked volunteers being placed in positions which could result in financial irregularities.

Other respondents noted that volunteers with smaller groups are often unaware of the law and fundraising good practice.

Respondents were primarily concerned that smaller charities should not be tangled up in too much red tape, but would instead benefit from greater awareness of good practice and better access to fundraising guidance.

## **Actions taken regarding concerns**

Despite asking respondents to say what actions they took, few of those who said they had experienced poor fundraising practices provided any details of actual actions taken in response to areas of concern.



**Most respondents – general public but also paid staff and fundraisers - said that they would not formally complain about poor practice.**

Respondents said that their most likely action would be:

- To never donate to the charity again
- To name and shame on social media
- To complain to friends and family

*“I’m less likely to formally complain to other sources and more likely to never donate to that charity again.”*

Some respondents also highlighted that certain concerns seem to fall between regulators. One example given was around financial irregularities - due to the criminal aspect OSCR advises contacting the police, but respondents did not feel that the police take adequate action due to it not being viewed as a serious crime.

## 5.6 Regulation and self-regulation

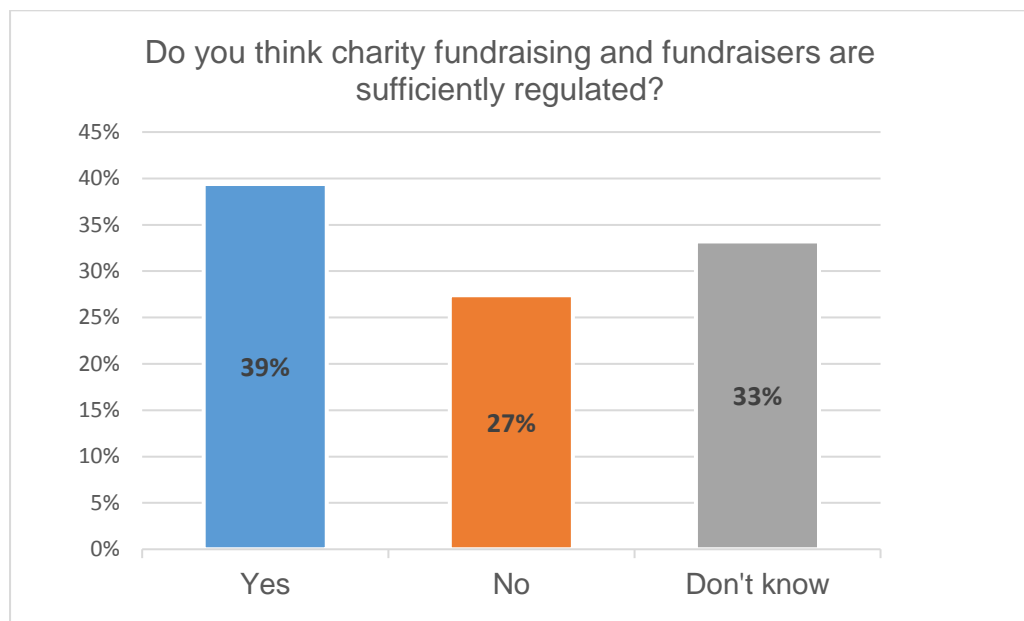


Figure 10 Regulation of fundraising

Respondents were divided on whether charity fundraising is sufficiently regulated – 39% feel that it is, 27% feel it is not, and a third of respondents (33%) did not know.

A number of respondents wanted to see compulsory registration with the FRSB, while others suggested this only for larger organisations, or suggested a regulation model based on income or fundraised income thresholds.

While most respondents felt that self-regulation is the way forward, there was a general consensus that fundraising codes need to be tightened up.

Comments included:

*“I think current regulation works for most and we have to be careful not to tighten things up too much.”*

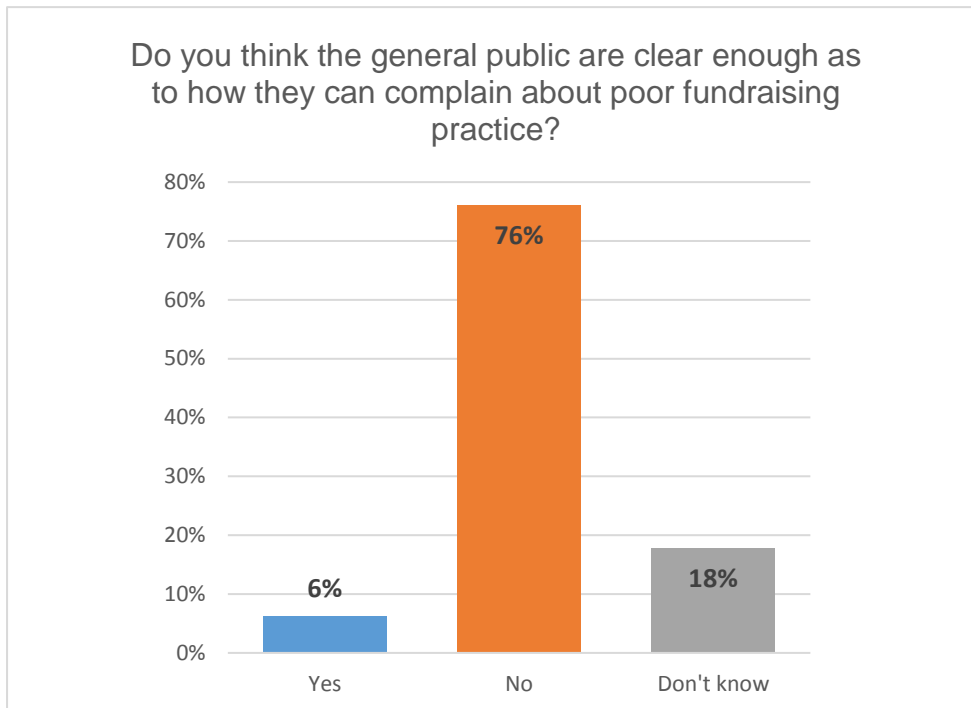
*“I'm not sure that increased state regulation would address the problem: tightening of IoF Fundraising Code of Practice is a good first step. Charities should be required by OSCR to provide evidence of good practice: at present this is a stipulation for those who are members of the FRSB scheme, but not for all.”*

*“Public fundraising is a crucial and legitimate part of the work of many charities and there are numerous examples of good fundraising practice over a long number of years. As such the difficulty for the sector is to find an appropriate response to the problem of a small number of charities engaging in poor practice. Ideally it would be good if that solution could be found from within the sector, rather than being imposed from outwith, but if it is, it must be a solution that has "teeth" and can crack down on poor practice”*

*“I believe that responsible charities and fundraisers already abide by the regulations laid down in law, regulation and by the Institute of Fundraising. The few charities/fundraisers that do not are the problem and seem either to fall into the "very large" category or are extremely small where the problem is lack of fundraising knowledge. The answers lie in a) ensuring the very large charities do not spoil the public trust in the sector as a whole; b) ensuring the public understand their rights (especially around TPS and MPS); and c) ensuring (through OSCR?) that every charity is a member of the FRSB - ie that they are all brought into the regulatory system. I believe the regulatory landscape is generally sufficient with the caveat above.”*

*“I think a fully regulated fundraising sector would be too heavy handed an approach, but IoF and / or FRSB need to have real powers if they are to help gain or increase public confidence. The solution is probably a system of "self regulation plus" but where there can be some increased powers for whichever body is chosen to regulate. Too heavy handed an approach may kill off small charities which can't face the burden of regulation. Too light an approach will achieve nothing. Some enhancement to the current set-up looks like a compromise and if done properly could be workable. This all needs government backing and perhaps a fundraising regulator needs to sit alongside OSCR more closely and more visibly.”*

## 5.7 Complaints procedures



**Only 6% of respondents think that the general public is clear enough about how they can complain about fundraising.**

**Three-quarters of respondents did not think so, and 18% did not know.**

### Who would people complain to?

In the comments, many respondents noted that their actions would of course depend on the nature of the complaint: *“Depends on the type of fundraising and level of concern”*.

However, the frequency of options ticked gives a good indicator of the popularity and awareness of key channels for complaints – see figure 11 below.

The responses were also compared against the respondents’ role. As figure 12 below shows, members of the public ticked far fewer options than other respondent types, with many noting in the comments that they had not heard of the fundraising regulators:

*“did not know all these were there ! Possibly might ask Citizens Advice Bureau for help.” (member of the public)*

*“I don't actually know and some of the bodies named above would not spring to mind.”(member of the public)*

## If you wanted to complain about a charity's fundraising, who would you complain to?

Note: respondents could tick more than one option

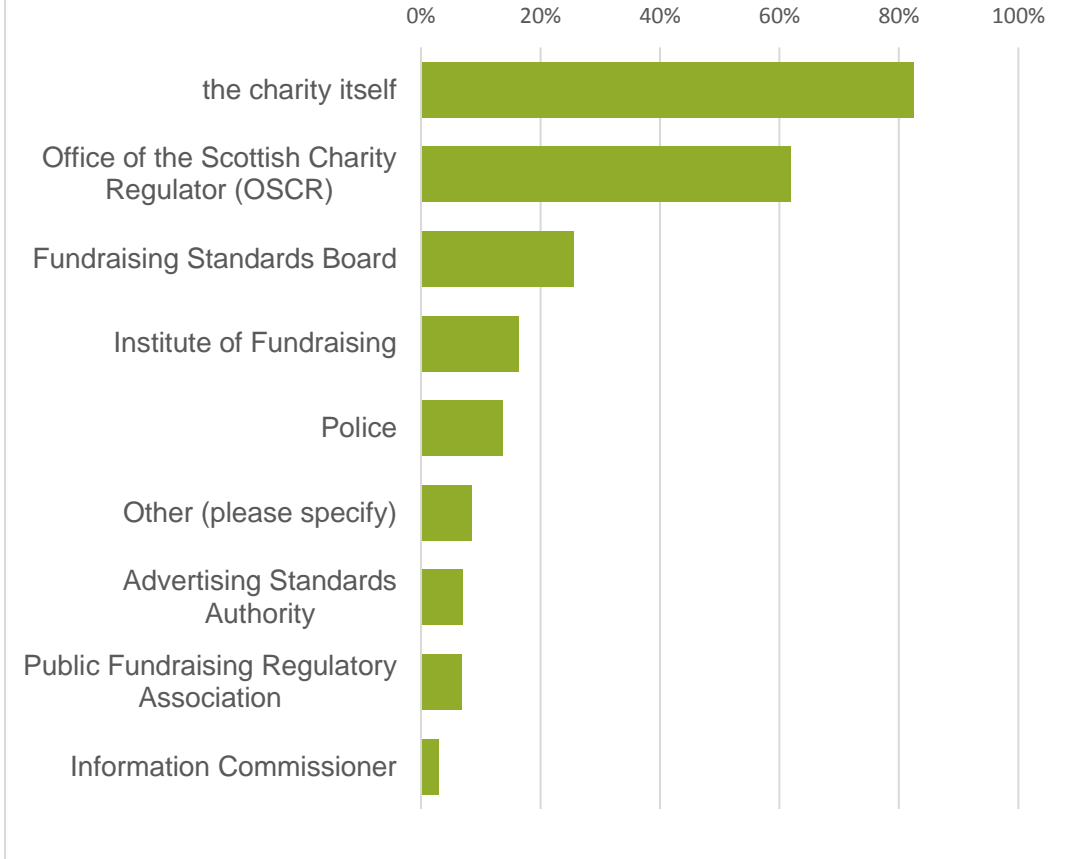


Figure 11 Agencies people would complain to

	the charity itself	Institute of Fundraising	Fundraising Standards Board	Public Fundraising Regulatory Association	Office of the Scottish Charity Regulator (OSCR)	Advertising Standards Authority	Information Commissioner	Police	Other (please specify)
Q1: a paid fundraiser (A)	90.00% 144 CDE	33.75% 54 BCDE	54.37% 87 BCDE	10.63% 17 BD	56.88% 91 D	10.63% 17 C	3.75% 6	5.63% 9 BCDE	5.00% 8 Responses E
Q1: other charity employee (B)	84.27% 284 E	14.54% 49 ACE	21.66% 73 ACE	5.34% 18 AC	64.09% 218 DE	6.82% 23	2.67% 9	12.17% 41 ACE	7.42% 25 Responses E
Q1: volunteer (C)	73.58% 39 A	3.77% 2 AB	9.43% 5 AB	13.21% 7 BDE	52.83% 28 D	1.89% 1 A	1.89% 1	26.42% 14 AB	11.32% 6 Responses
Q1: board member/trustee (D)	75.82% 69 A	12.09% 11 A	17.58% 18 AE	3.30% 3 AC	79.12% 72 ABCE	5.49% 5	2.20% 2	18.68% 17 A	8.79% 8 Responses
Q1: a member of the public (E)	74.07% 60 AB	6.17% 5 AB	7.41% 6 ABD	3.70% 3 C	49.38% 40 BD	4.94% 4	2.47% 2	22.22% 18 AB	14.81% 12 Responses AB
Total Respondents	596	121	187	48	447	50	20	99	59

Figure 12 Agencies people would complain to, against respondent role

- **The charity itself**

As Fig 11 shows, most respondents said that they would go to the charity itself if they had a complaint. However, many members of the public felt that there would be no point in doing so.

A few respondents reported that they had made the effort to initiate a complaint, but had not followed it through to completion, often because of unclear or time-consuming complaints processes.

*“street chuggers trying to get me to sign up to direct debit. Wouldn't accept no and were cheeky to me when I explained why. tried to get me to change mind with emotional stories I phoned their head office when I got home to complain - but got fed up being in telephone queue!” (Member of the public)”*

- **OSCR**

The second most popular option was to contact OSCR.

OSCR was singled out by many for being very effective, and a number of respondents praised the role OSCR has played in improving standards and transparency. OSCR's role around promoting good practice was also highlighted, although there was tension between where the line between formal regulation and good practice should be drawn.

Some respondents also felt that OSCR's remit was either too narrow or not clear enough, or that links between OSCR and other regulators are not clear enough.

*“OSCR does a good job but I don't feel that they have a sufficiently wide remit - perhaps extend that to operating methods”*

There was some criticism of OSCR from respondents who felt complaints had not been dealt with to their satisfaction, but this seemed to be because these complaints were out-with OSCR's regulatory role.

It is also interesting to note that while OSCR is the second most popular choice for the general public, the numbers given in Fig 12 are still low suggesting low levels of public awareness. This seems to also be confirmed in the comments given by the public.

- **Fundraising Standards Board (FRSB)**
- **Institute of Fundraising (IoF)**

Fig 11 showed that fundraisers are far more likely than other respondents to contact the Fundraising Standards Board or the Institute of Fundraising with concerns. However, relatively few others were aware of either the FRSB or the IoF.

This suggests a lack of awareness of the FRSB and IoF which perhaps needs to be addressed.

While many respondents praised the IoF codes and resources, many felt that its key role is as a body for professional fundraisers, not a regulator. There did seem to be

some tension in the comments between those who felt that the IoF should be more of a regulatory body and shift its focus from individuals to organisations, and those who felt that this role should sit with the FRSB.

**Regardless of preferences, many respondents thought that there needed to be an awareness-raising campaign for both.**

Further, many felt that for either to be effective there needs to be a membership drive. Some suggested that membership of FRSB (or IoF) should be compulsory for fundraising charities, particularly those over a certain size.

*“The responsibility for good fundraising practices and behaviours lies with organisations - charities - themselves, yet they do not sign up to abide by any code of practice only individual fundraisers do.”*

A small number of respondents felt that sector membership bodies such as IoF and FRSB risk being biased due to lack of external influence and should not therefore have a regulatory function, unless they adapt their current model.

- **Other agencies**

As well as the agencies listed in Fig 11, other places people would go to include: Care Commission, local authorities and the media.

## **5.8 Scottish fundraising landscape**

Throughout the survey, respondents highlighted the unique charity, fundraising and regulatory landscape of Scotland. Main concerns were:

- That the review reflects the charity finance landscape in Scotland, where charities tend to be much smaller
- Few Scottish charities are large enough to fundraise via the more controversial methods, eg street and telephone fundraising
- Some respondents noted that separating Scottish activities from those of UK parent charities improved transparency
- Some respondents felt that a Scottish fundraising regulator or ‘Scottish FRSB’ would be useful

*“We have to be aware that the fundraising landscape in Scotland varies significantly than that of England, especially that of the large London based charities and we should investigate a model that will work for Scotland. The vast majority of Scottish charities do not have a turnover greater than 1 million and do not have the resources to use external agencies and direct marketing techniques/campaigns. The model decided for Scotland needs to reflect this.”*

## 5.9 Competition and funding pressures

Respondents – particularly those working in the sector – were also keen to highlight that the reason the sector is becoming more competitive and fundraising more than in the past is that demand for services is high but money to cover these costs is getting harder to come by.

*“Questions need to be asked at why charities are feeling so under pressure to generate income? Westminster are cutting funds and then wondering why to continue to provide key services to vulnerable people charities are relying more and more on public support.”*

*“Regulation isn't the problem. It is the monstrous lack of reliable funding and the growing pressure to compete for ever reducing sums that is causing problems for all charitable and other third sector organisations”*

*“I would hope for a balanced approach when introducing any new regulation, while the above may have been an isolated incident, I understand the financial pressures Charities endure and would not want them to be overly regulated that it stifled or stopped abilities to raise funds via Fund Raising...”*

*“Fundraising is a lifeline for many charities to ensure their client groups have access to the support and resources that are being eroded shamefully by this present Tory Government.”*

*“I understand why charities have had to become more aggressive and proactive in their fundraising and I feel the problem lies in the funding sector as a whole. Funding is now project based and short term and open to all whether accredited or competent in the subject at hand. [...] I feel that a more holistic view of charity funding is needed with provision of core funds measuring annual uplift and outcomes. An annual national view of success with examples of good practice and encouragement to work for the benefit of the community as a whole instead of creating a smash and grab style project culture that we have at present. I fear that if not addressed there will be more headlines such as that of last week with the failure of Kids Company in London.”*

## 5.10 Fundraising as a long-term investment

A strong theme throughout the survey comments was that current fundraising practices go against much of charities actually want to achieve. Instead of building a strong base of supporters, the nature of fundraising and the focus on hitting targets and returns on investment can push people into being viewed simply as donors.

However, many respondent spoke of this back-firing on charities, cancelling direct debits etc, when they try to pressurise them:

*“Whilst I understand the benefits to charities of doorstep fundraising and street fundraisers, competition for funding has become so fierce that we are in danger of switching off the very people we need to cultivate as supporters”*

Many spoke about the fact that charities usually start off with noble and ethical aims, but that these can get lost as communications move outwards from the core organisation. Charities need to ensure key values are maintained by their employees and any sub-contractors.

*“There needs to be greater recognition of the importance of fundraised income and the contribution fundraising makes to society. The focus should be on the impact of a charity's*

*work and how effective it is being, not on how much it is spending to make that difference. The focus on keeping the costs as low as possible for fundraising has been very damaging because it puts pressure on fundraisers to focus on aggressive income generation methods (like telephone and door to door) which are very effective generating short term income”*

*“I believe that in Scotland it “feels” like we are doing a good job raising funds ethically and morally and in most parts of the UK however I believe we need to be far more transparent about how and why we raise funds in a variety of ways and be far more interactive with our donors.”*

### **5.11 Complaints versus good practice**

Several respondents felt that we should not have a ‘complaints driven’ model. This was primarily because they felt that this is the wrong attitude to take and too reactive. In addition, the survey showed that very few people actually go through with a complaints process.

It was felt strongly that any outcomes should be focussed on raising standards and promoting best practice.

Also, as mentioned above, charities complaints procedures vary significantly – perhaps in addition to ‘complaints’ we need to allow members/supporters to give less formal feedback in a way that is properly recorded.

### **5.12 Public awareness**

A strong underlying theme noted by respondents and evident through the content of some of the comments is that many of those outside the sector are suspicious because they are not familiar with how third sector organisations operate other than negative media coverage. Several suggested that as well as increasing transparency, the sector needs to get more positive messages and stories into the media.

*“A vast public education exercise is required so that people understand fundraising and why it is needed.”*

*“I am disappointed that there has not been more positive press coverage sent out from bodies like SCVO, IoF etc in support of charities and why they feel some charities have adopted direct FF methods to acquire new donors.”*

### **5.13 Impartiality**

Finally, a footnote to this survey is that a number of respondents expressed concerns around impartiality both in terms of self-regulation and in terms of conducting the review.



- SCVO's impartiality to conduct the review, as it represents the sector and its members
- IoF's impartiality as a regulator, as it is a membership body
- FRSB impartiality as a regulator, again as a membership body
- OSCR's impartiality, due to government connection

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