#### **BHP Charity Conference 2024**

# The Code of Fundraising Practice and the Role of the Fundraising Regulator

Nick Allaway, Head of Finance

**Fundraising Regulator** 



#### What we will cover

- Who we are
- The Code of Fundraising Practice
- Charity income
- Levy and registration
- Casework
- Proactive regulation





#### Who we are

The Fundraising Regulator is the independent regulator of charitable fundraising in England, Wales and Northern Ireland. We work to improve fundraising standards and build public trust.

#### Find out more:





## **Role of the Fundraising Regulator**

- Set fundraising standards in the UK-wide Code of Fundraising Practice
- Consider complaints about charitable fundraising
- Maintain a public directory of organisations registered with us on our website
- Enable people to stop charity direct marketing using the Fundraising Preference Service (FPS)
- Respond to new issues



# **Scope of our regulation**

- Charities registered with the Charity Commission for England and Wales and the Charity Commission for Northern Ireland
- Charities in Scotland where the lead regulator is the Charity Commission for England and Wales or Northern Ireland and the charity based in one of those countries
- Exempt charities (for example, universities in England)
- Other organisations with entirely or predominantly charitable, philanthropic and benevolent objectives (for example, community interest companies)
- Commercial agencies and other organisations employed by charities to raise funds for them, and online fundraising platforms



# **Charity income**

- Some challenges but sector quite resilient
- Turnover £100 billion equivalent to GDP of a small country
- Over 1 million people employed and 1 million regularly volunteer
- £6 billion spent on fundraising
- £26 billion raised
- Large sums in rest of not for profit sector Unregistered charities, CBSs, CICs,



## **Registration and the Fundraising Badge**

- Charities and non-charities that carry out charitable fundraising in England, Wales or Northern Ireland can apply to register with us
- Registering shows commitment to fundraising in line with the code and our fundraising values
- Registrants can display the Fundraising Badge and are listed in our public directory







- We are self-funded by the charity sector.
- Charities pay registration fees scales in line with their fundraising activity spend each year.
- In 2024, the levy has increased for everyone this year for the first time since 2016.
- Levy review allows us to continue to support charities into the future and helps ensure a positive environment for fundraising to prosper.





# **Code of Fundraising Practice**

- Sets the standards for fundraising by all UK charitable institutions and third-party fundraisers
- Trustees have ultimate responsibility for fundraising activities, though they may delegate day-to-day operations to staff
- You must train and monitor staff and volunteers if the standards are relevant to their responsibilities





## **Fundraising values**

Four values underpin all the code standards:

- Legal: meet the requirements of the law
- **Open:** be open with the public and be willing to explain if asked for more information
- Honest: act with integrity and not mislead the public
- **Respectful:** demonstrate respect when fundraisers have contact with any member of the public





#### **Review of the Code of Fundraising Practice**

- First full review since October 2019
- Much has changed since then:
  - Technology
  - Legislation
  - Fundraising behaviour
  - Societal change





#### **Timeline of code review**



Call for information: autumn 2022 First consultation: autumn 2023 Consultation analysis: early 2024 Draft new code: spring 2024

Second consultation: Sept 2024 Launch new code: early 2025



# New draft code

- New draft code based on stakeholder and consultation feedback
- Changes to code that we'll consult on include:
  - More principles-based framework
  - Rules where we're not the lead regulator presented differently
  - New rules added and some existing rules amended
  - Improved accessibility and clarity





#### Casework

- Support charitable organisations to follow the code.
- Investigate complaints about fundraising where it has caused harm or has potential to cause harm.
- Aim to explore and establish facts and provide learnings.
- We receive over 100 complaints a month.

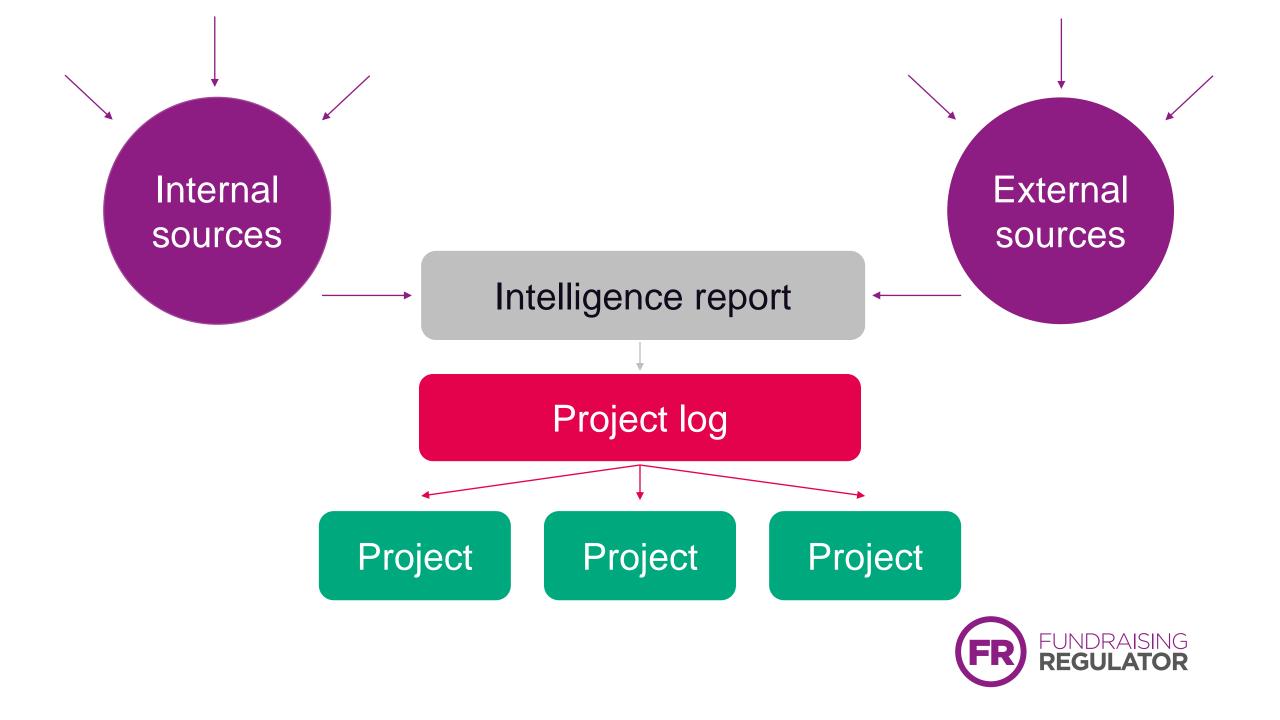




## **Proactive Regulation and Projects**

- Why is proactive regulation important?
- Intelligence gathering
- Proactive projects
  - Market inquiry: subcontracting in face-to-face fundraising
  - Marketing of child sponsorship
  - Regulatory gaps





#### Types of fundraising: face-to-face



#### ■ WalesOnline

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Exposed: Our hidden camera uncovers exploitation and pressure-selling at direct sales firm

Wearing a hidden camera, our undercover reporter got a job at a door-to-door sales operation accused of cult-like practices

# Tougher rules for charity collectors on the doorstep

James Beal Social Affairs Editor

The Fundraising Regulator is toughening recommendations to charities around door-to-door collections after a Times investigation found that is were taught pressure-selling tactics. Charities must make sure subcontracting firms, carrying out fundraising on their behalf, are monitored more closely and that fundraiser sceive appropriate training, the watchdog sad. It also emphasised that charities and agemeise needed to be satisfied that the payment model for fundraisers did not lead to bad practice and that recruits should really ear a "living wage".



hould really earn a "living wage". Charities must learn lessons so they are not caught out, the regulator cair

cies which can, in turn, subcontract the door-to-door fundraising. The inquiry found evidence of "poor fundraising practice" in door-to-door collecting, and said that "robust monitoring" of

subcontractors was essential Fundraisers must be well-trained and able to minimise the risk of poor behaviour and non-compliance with the code; it added. Jim Tebbett, who led the regulator's inquiry, said: "We say that we think you should be paid a living wage if you're a fundraiser — which we don't think is particularly radical. We're recognising that some performance-related pay models especially those which use commis-

#### **Fundraising Regulator** Market Inquiry

Subcontracting in face-to-face fundraising: Post-workshop report

March 2024



# **Types of fundraising**

- Prize-based
  - One of our top 5 most enquired about fundraising methods
- Legacy
  - Increasingly important source of funding £4 billion
- Digital fundraising and cashless giving
  - Charities may need to budget for investing in

technology, training or working with specialists





#### **Resources to support your learning**

- Code of Fundraising Practice
- Guidance
- Investigation summaries
- Case studies and tips in complaints report
- Webinars
- Code Advice Service







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#### Any questions?