



**A report on complaints received by charities about fundraising in 2016**

## Contents

1. **Foreword**
2. **Key findings**
3. **Complaints reported by charities in 2016**
4. **Complaints reported as percentages of the levels of fundraising activity undertaken in 2016**
5. **Complaints reported by fundraising expenditure (levy banding)**
6. **Complaints reported by method**
  - Direct Marketing*
  - Public Collections*
  - Raffles, Lotteries and Other Prize Draws*
  - Outdoor Events and Social Activities*
  - Advertising*
  - Volunteer Fundraising*
  - Trusts and Foundations*
  - Fundraising from Business*
7. **Our complaints process**
8. **Learning from complaints we have received in 2016-17**
9. **Conclusions**

## 1. Foreword

The Fundraising Regulator was launched in July 2016, taking over responsibility from the Fundraising Standards Board (FRSB) and inheriting the Code of Fundraising Practice (the Code) from the Institute of Fundraising (IoF) and the Rulebooks on Street and Door to Door Collections from the Public Fundraising Association (PFRA).

In May 2017 we gathered information from a range of charities that pay our levy about the number of complaints they received about fundraising and the amount of fundraising activity they undertook in 2016.

We have been pleased with the response to our request for information, with nearly 900 charities submitting the requested information. We have been particularly pleased that a number of charities who were not able to participate this year have expressed a wish to be a part of the process in future years. This reaction coincides with the positive responses we have received to our casework decisions.

We have noted a clear willingness and commitment from organisations to work with us and make changes where we have identified breaches of the Code and a need for improvement to fundraising practices.

For this report, in order not to place unnecessary burdens on charities in the transition period, we collected information in the format used by the FRSB in previous years. We are, however, in the process of evaluating this approach and will shortly be making proposals on what we might do differently in future years as part of our regulatory role. In doing so, we will take into account the feedback gathered from those charities who provided us with information as part of this exercise, and will provide the sector with the necessary guidance to ensure good fundraising practices.

We want to understand better what is causing concerns in relation to fundraising and to look more closely into any trends suggested by the complaints we receive from members of the public and, in particular, those complaints received and resolved by the sector without the need for our involvement.

## 2. Key findings

We received submissions from 893 charities of different sizes. This number represents a small percentage of the sector as a whole (over 165,000 registered charities in England and Wales) but a significant proportion of those charities accounting for the bulk of fundraising expenditure. However, we think that the information provided can usefully be broken down and allow us to draw some conclusions about the complaints that charities receive.

It is important to note that, whereas in their annual 'return' the FRSB obtained information from its members; we obtained information from a proportion of those charities eligible to pay our levy. The charities participating are not therefore always the same as those contributing to previous reports published by the FRSB. It is not therefore possible or appropriate to make direct comparisons with previous outcomes.

The purpose of this report is to provide an overview of the complaints received in 2016 as reported by a significant sample of the sector that we regulate - that is, charities who actively fundraise - and to provide an overview of our activity since our launch in July 2016 and some of the learning we have identified when dealing with complaints about fundraising.

The total number of complaints reported by the charities who provided us with information was **42,782**.

Overall, fundraising using Direct Marketing (which includes contact by telephone, email and what is referred to as Addressed Direct Mail) and Face to Face Fundraising (including Door to Door and at Private Sites, for example, supermarkets) were the causes of the most complaints. These were followed by Public Collections (which include Clothing Collections).

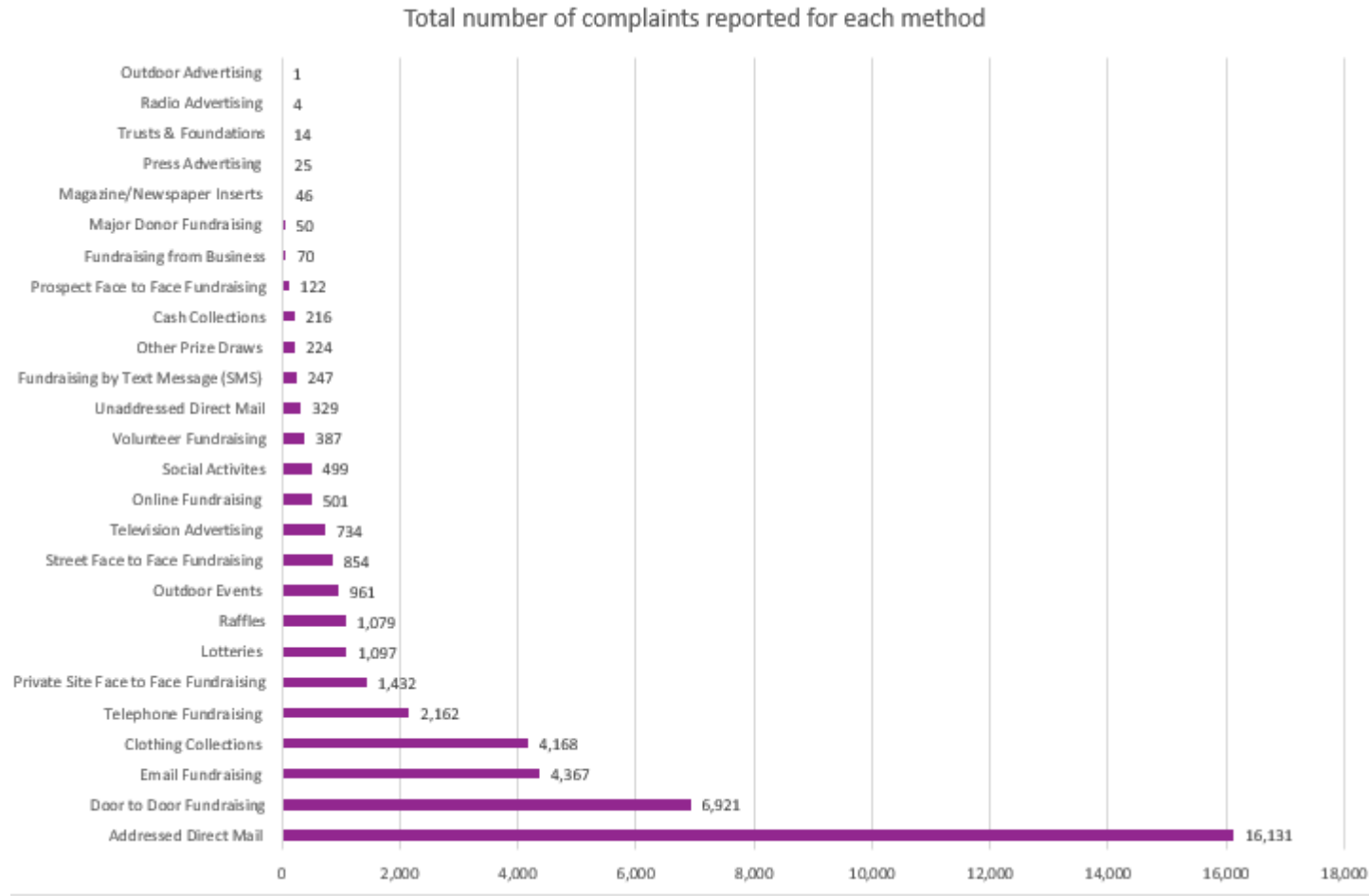
It is important, when reviewing the complaints reported, to consider the ratio of complaints to the levels of fundraising activity undertaken by the sector. For example, in 2016 the charities who reported to us sent over 300 million pieces of Addressed Direct Mail and reported receiving just over 16,000 complaints, a very low ratio of complaints when compared to activity. However, both the total number of complaints and a breakdown of the nature of the complaints are important to a better understanding of the extent and nature of the concerns about fundraising. We are considering how to improve both data collection and its analysis.

We note there is a need for greater consistency within the sector with respect to the terminology used when recording this information and, in particular, in defining what is a complaint. As the Regulator, we recognise we have a role in providing guidance for the sector to improve complaint handling and the recording of such information. In 2017-18 we will produce guidance that will set out our expectations for how charities should deal with complaints as well as providing a clear definition of what we consider to be a '*complaint*'.

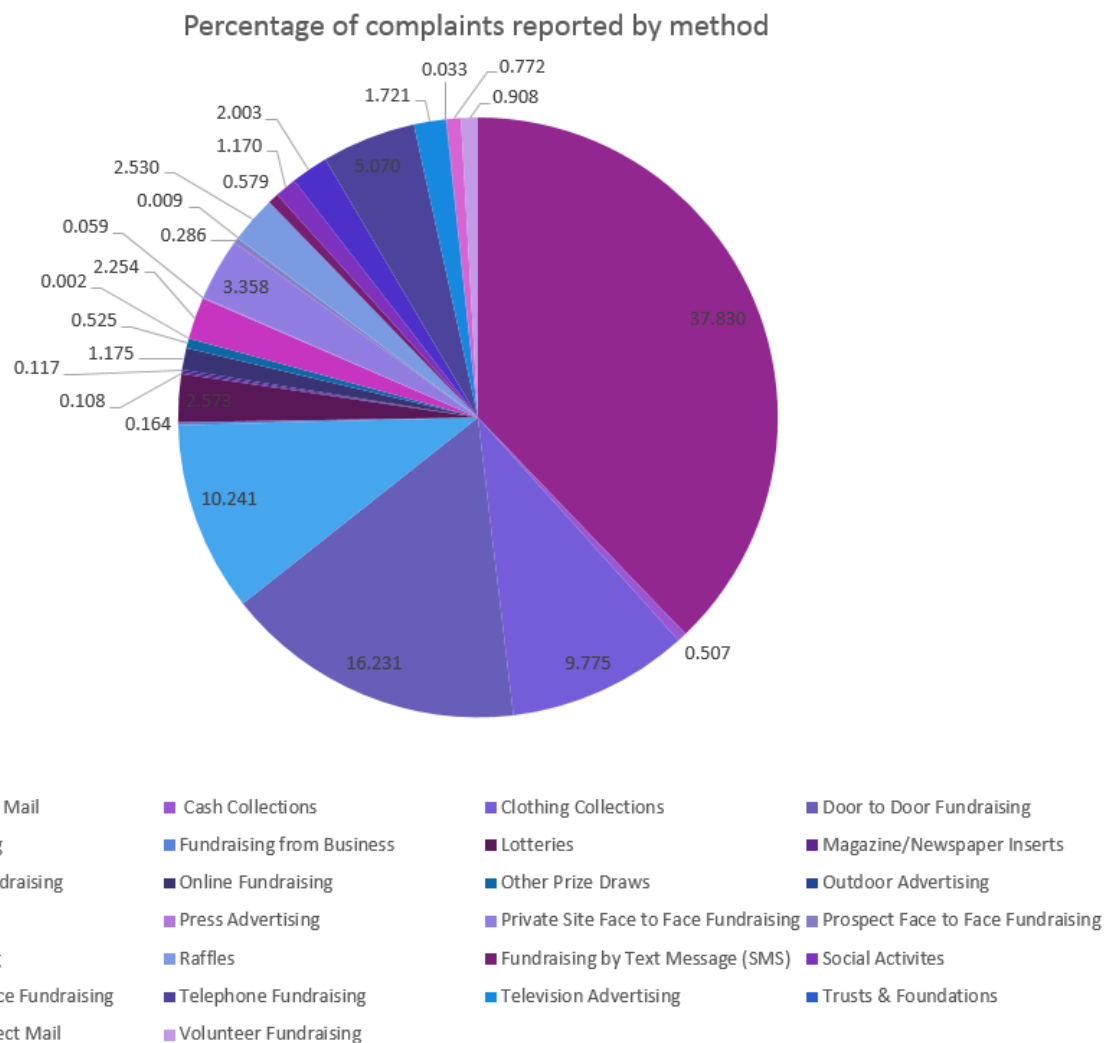
It is important to note that in 2016-17 the Fundraising Regulator received just over 700 complaints. Given that the number of complaints reported by those charities taking part in the survey was over 42,000, this demonstrates that, in the vast majority of cases, charities are able to resolve the complaints made to them without the need for the Regulator's involvement.

### 3. Complaints reported by fundraising method

The total number of complaints reported for 2016 by the charities that responded to our request for information was 42,782. The graph below shows the number of complaints reported for each method of fundraising.



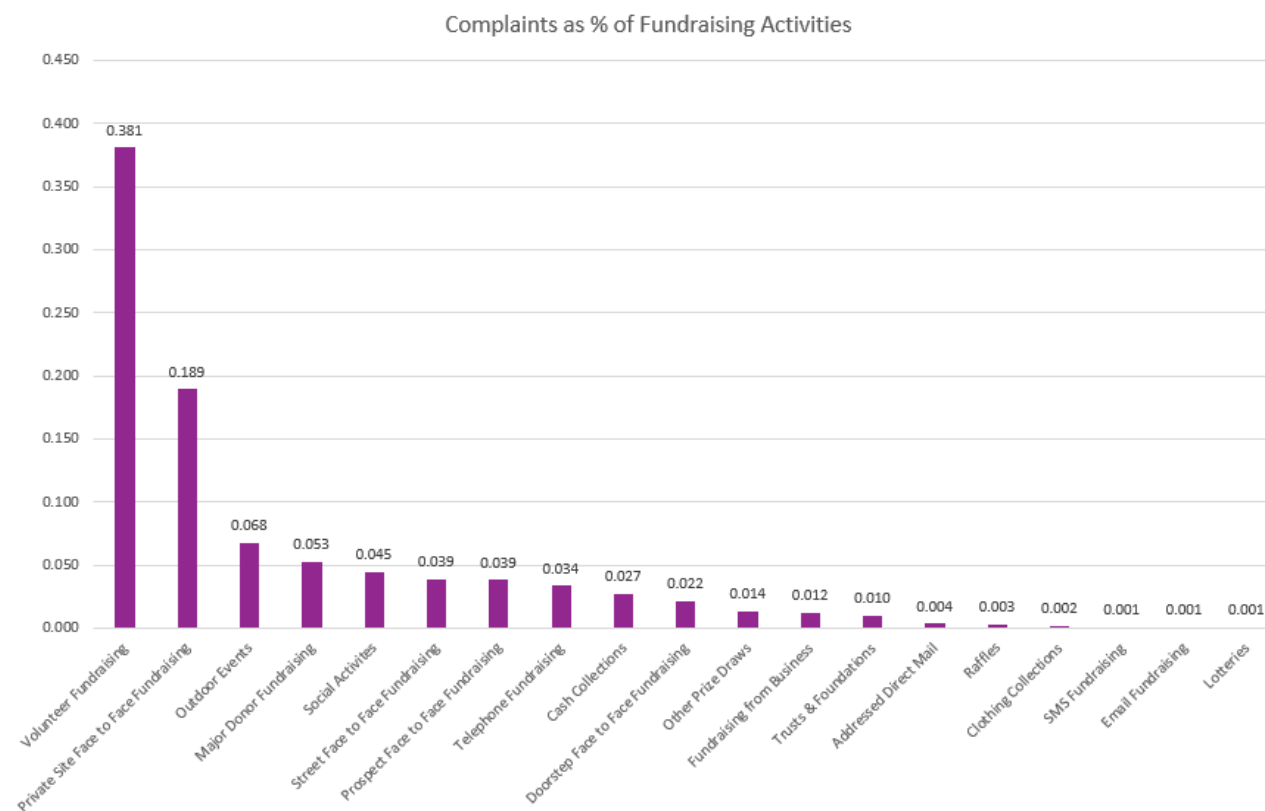
The pie-chart below shows the percentage of complaints reported by each method of fundraising complained about. The very large majority of complaints reported by the sector were about four methods of fundraising.



Addressed Direct Mail caused the most complaints – 38%, which equates to over 16,000 complaints. This method was followed by Door to Door Fundraising, generating 16%, or nearly 7,000 complaints, and Email Fundraising and Clothing Collections, each generating 10% of the total number.

Other key areas of concern for members of the public in 2016 included Telephone Fundraising, which generated 5% of complaints reported, and Private Site Face to Face Fundraising, which generated 3% of complaints reported. Lotteries and Raffles also generated 3% each of the total number of complaints reported.

#### 4. Complaints reported compared to the level of fundraising activity undertaken (as a percentage)



The graph above shows the percentage of complaints compared to the level of fundraising activity undertaken reported by charities in 2016. This clearly demonstrates that the number of complaints reported in the sector is in general low.

Although Addressed Direct Mail was reported as the cause of the highest **number** of complaints received (16,131), those complaints, when viewed in the context of the level of activity undertaken within the sector (over 300 million pieces of Addressed Direct Mail reported as despatched), show a low level of dissatisfaction being reported.

In fact, the highest levels of complaints reported when put in the context of the level of activity undertaken for each method of fundraising were about Volunteer Fundraising (0.381%), followed by Private Site Face to Face Fundraising (0.189%). However, it should be noted that this figure is not directly comparable to the others as it gives the number of complaints by volunteer activity and not by contact with potential donors.

Some methods, such as Radio Advertising, Television Advertising and Online Fundraising, are not shown in this graph, since the number of complaints as a percentage of the activity undertaken is extremely low. However, the number of complaints that were reported is shown on page 5 of this report.

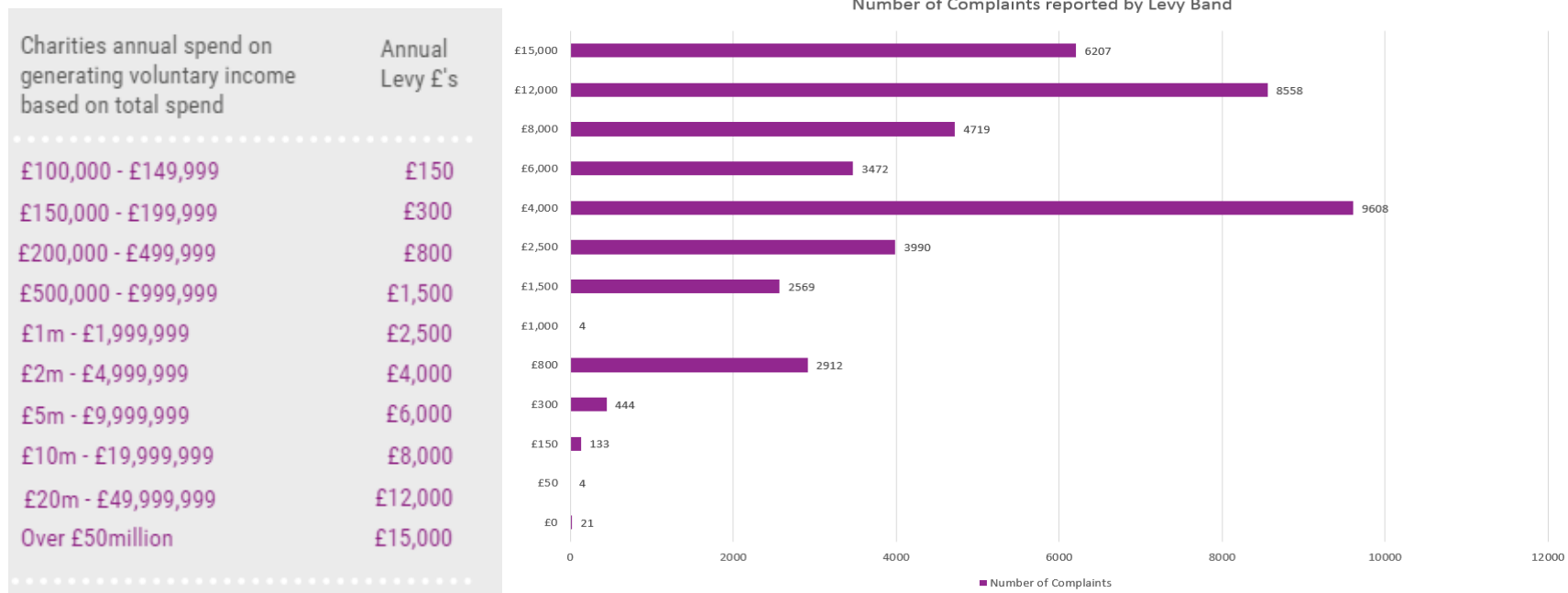
The numbers reported in the following methods are too small to be able to draw any meaningful conclusions -

- Major Donors
- Magazine/Newspaper inserts
- Outdoor Advertising
- Press Advertising
- Radio Advertising
- Trust and Foundations.



## 5. Complaints reported by fundraising expenditure (levy banding)

We are funded through a voluntary levy on charities spending £100,000 or more each year on fundraising. The levy is based on data submitted by charities as part of the annual return to the Charity Commission for the year ending 31 December 2014, the most recent full year for which these data were available when the levy was launched.



We have broken down the number of complaints reported by organisations within the respective levy-paying bands identified above. We can see that the highest number of complaints reported were received by charities in the mid-range of the levy. This is perhaps not surprising, as a large number of charities fall into this band.

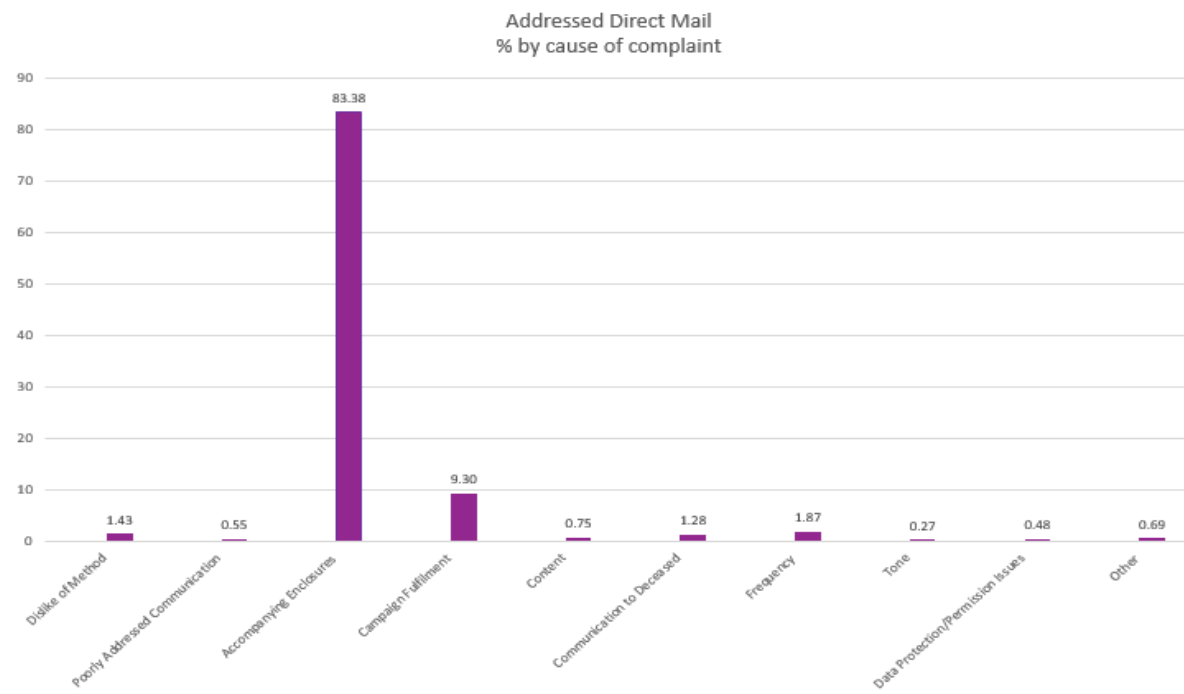
Only a small number of charities fall into the two highest levy bands. These are naturally very large charities undertaking significant levels of fundraising activity, so it is not surprising that they generate a substantial proportion of the complaints reported.

## 6. Complaints reported by method

### Direct Marketing

As noted above, Direct Marketing, by which we mean Addressed Direct Mail, Telephone Fundraising, Email Fundraising and Fundraising by text message (otherwise referred to as SMS), accounts for the highest level of complaints reported to us. Given the level of activity arising from the sector's use of these methods – around 300 million pieces of Addressed Direct Mail, nearly 6.3 million telephone calls and nearly 18 million text messages – this is not surprising. This category also includes a number of methods where members of the public are perhaps more likely to object to perceived intrusion.

#### *Addressed Direct Mail*

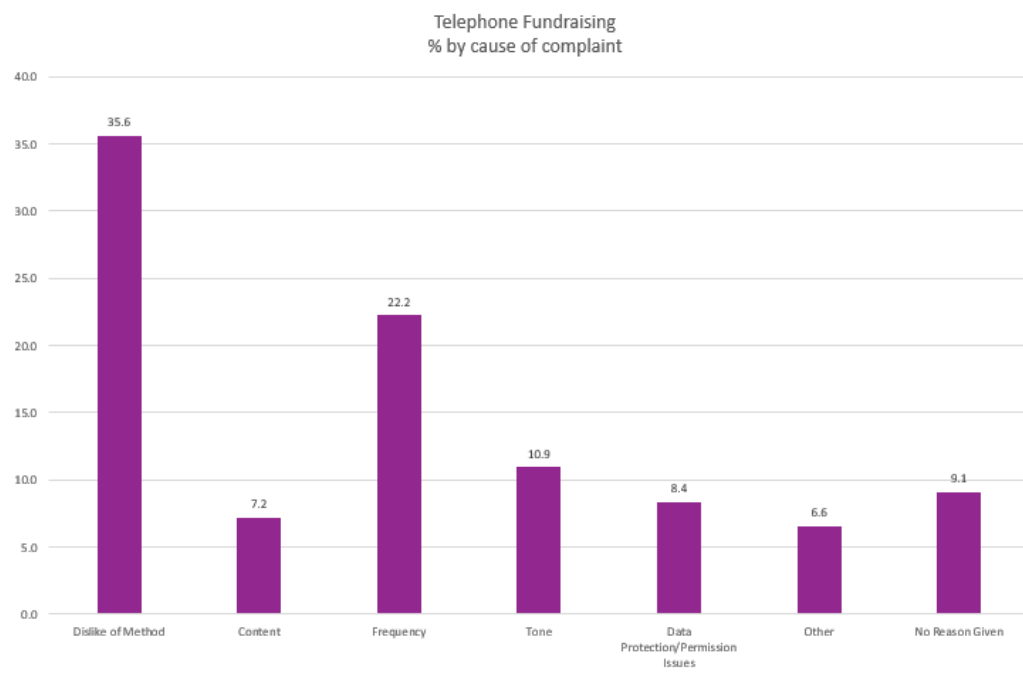


A more detailed look at the complaints reported about Addressed Direct Mail shows that a large number – over 4,000 – were reported by four charities, each of which reported over 1,000 complaints with one reporting nearly 2,000 complaints.

We will follow up with charities to understand the nature and context of the complaints they receive. For example, a significant proportion (83%) of the complaints reported about Addressed Direct Mail concerned the accompanying enclosures sent by charities. We want to understand better the reasons for those concerns. Another area related to Addressed Direct Mail which we will follow up with charities is where complaints reported were about the content of a mailing.

A very small percentage of complaints were recorded as being reported for other reasons, such as people not liking the method in general (1.4%), the fact that a charity wrote to someone who was deceased (1.7%) and the '*frequency of contact*' with the donor (1.4%). Another area of concern was '*campaign fulfilment*' which is considered to be the physical or technical administration of the campaign itself. This generated 9% of the complaints reported by charities.

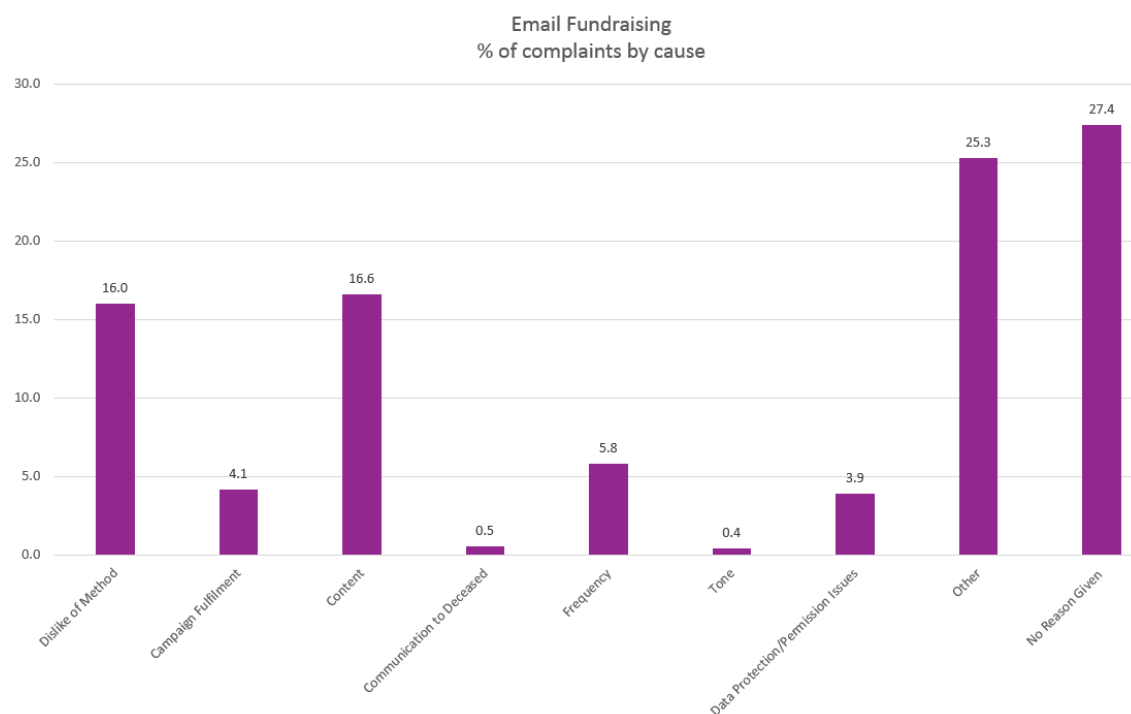
### Telephone Fundraising



A large proportion of complaints reported about Telephone Fundraising (35%) concerned the use of telephone as a method of fundraising, with a further 22% of complaints reported relating to the frequency of contact charities were having with donors. Complaints reported about the tone and content of the telephone calls were 10.9% and 7.2% respectively, with a further 8% concerning ‘Data Protection/Permission issues’.

### Email Fundraising

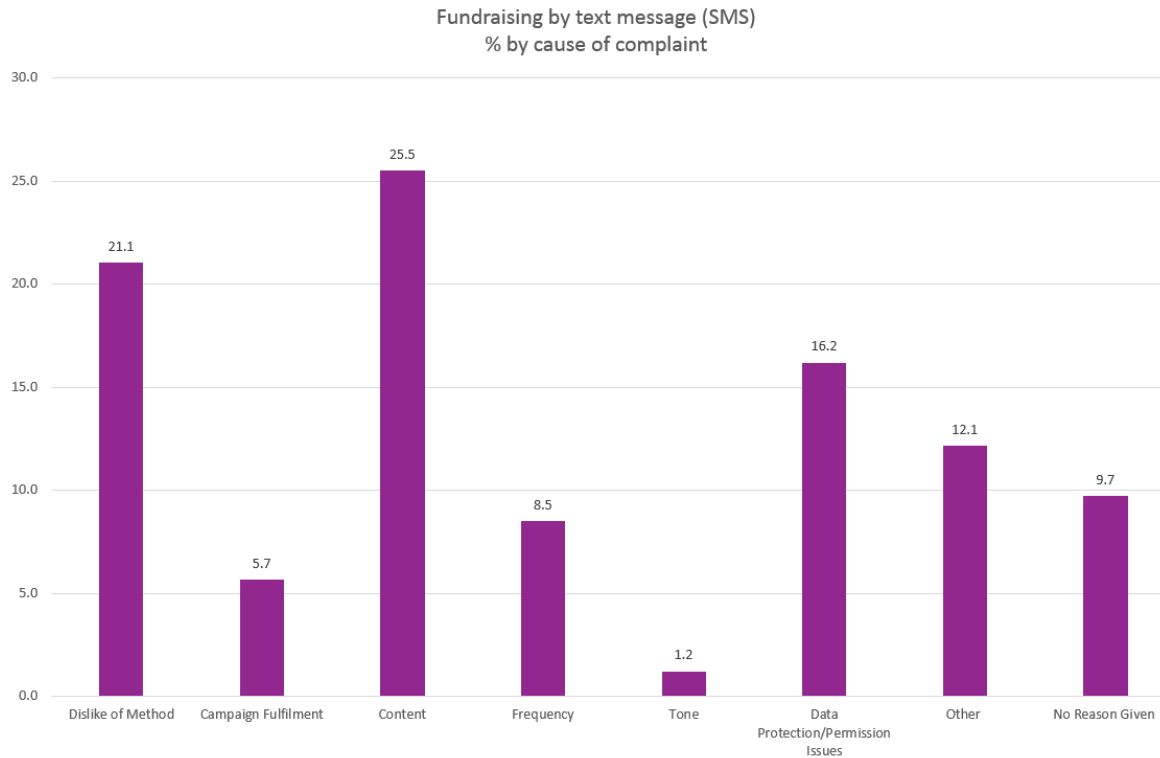
Email Fundraising generated a reported 4,367 complaints in 2016. As noted above, this is in the context of nearly 300 million emails reportedly being sent out by the charities involved.



When asked to give the reason for the complaints made, a large number of complaints were specified as ‘Other’ or ones where no specific reason was provided. However, of those complaints where a specific reason was provided, 16% were reported as being about the content of the email and 16% about a general dislike of email as a method of fundraising. Nearly 6% of complaints concerned the frequency of contact with the donor and 4% related to ‘Data Protection/Permission issues’.

### Fundraising by text message (SMS)

Charities reported receiving 247 complaints about Fundraising by text message (SMS), having sent out nearly 18 million messages.

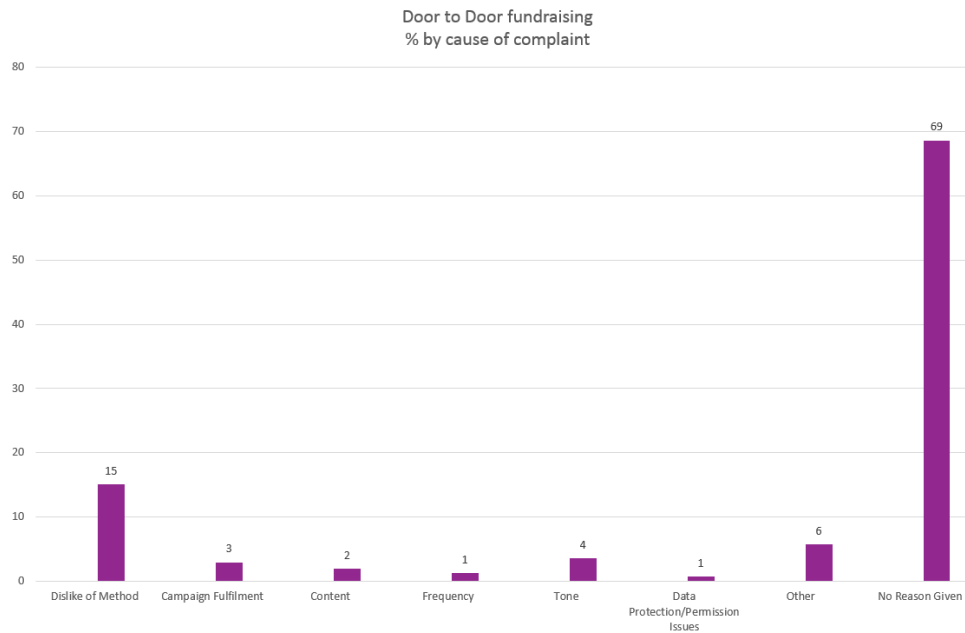


Of these complaints, 25% were considered to be about the content of the text messages and 23% related to a general dislike of text messages as a method of fundraising. 16% of those complaints were reportedly about 'Data Protection/Permission issues'.

## Public Collections

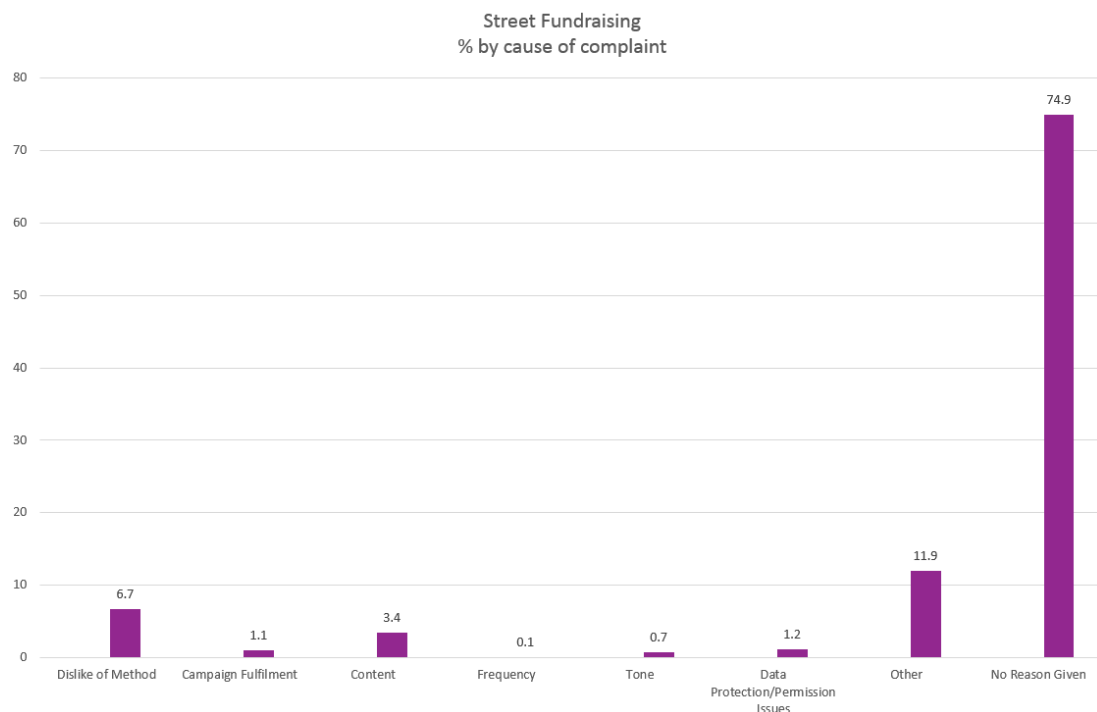
Public Collections, which include Door to Door Fundraising, Street Fundraising, Private Site Fundraising and Clothing and Cash Collections, generated the second highest level of complaints reported after Addressed Direct Mail. The methods considered to be Public Collections overall generated around 31% of the complaints reported. 16% of those complaints were reported to be about Door to Door Fundraising. This translates to 6,921 complaints.

We note that the activity figures for public collections are based on successful sign-ups and will, therefore, understate the total volume of fundraising activity, since they do not account for the number of unsuccessful approaches needed for each successful sign-up.



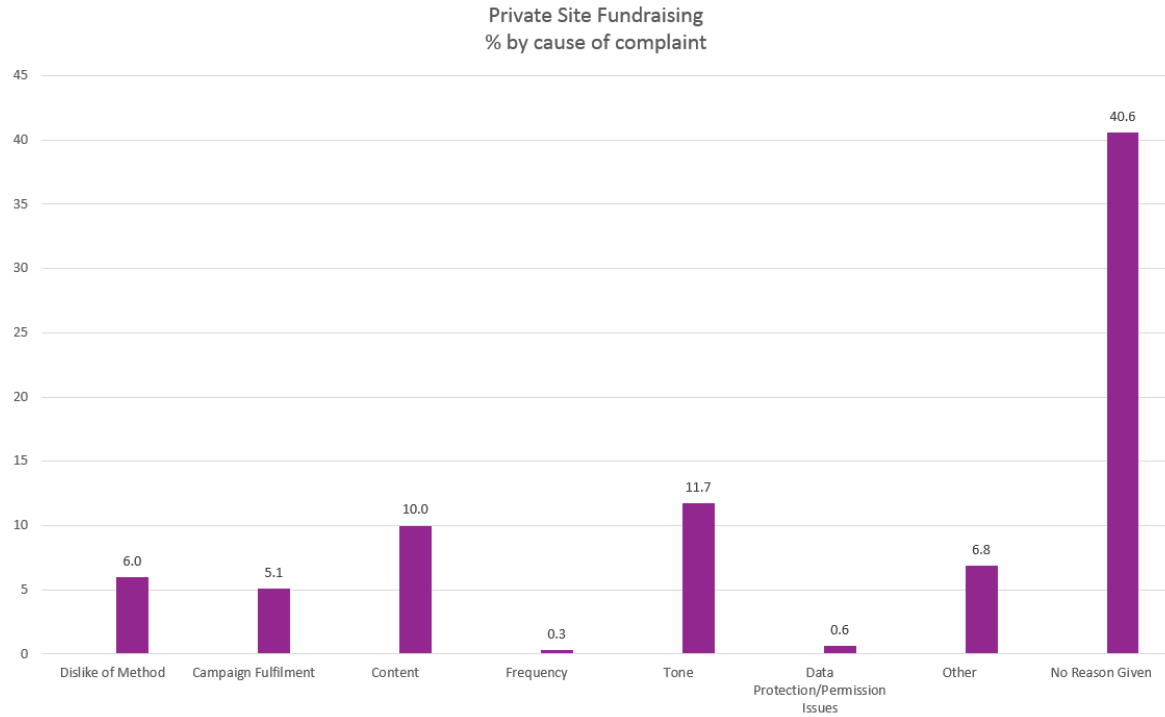
When reporting about Door to Door Fundraising, charities frequently did not indicate a specific reason for the complaint (69%). When charities did report the cause of the complaints received, this was most often considered to be due to a general dislike of the method itself.

This was also the case with Street Fundraising, with a very significant percentage (75%) of complaints reported as 'No Reason Given'. Of those charities that did report the cause, a general dislike of the method used was again the most frequently specified reason for the complaint, followed by the content of the interaction. This is shown below.



Private Site Fundraising (for example, face to face fundraising that takes place on privately owned sites such as supermarkets) generated just under 1,500 complaints (3% of the total reported). 40% of the complaints reported were not attributed to a specific cause.

Those charities that did specify a cause noted tone, content and dislike of the method as the reasons for the highest numbers of complaints.



### *Clothing Collections and Cash Collections*

Charities reported 4,168 complaints about Clothing Collections. This makes up 9.7% of the total complaints reported and relates to over 200 million clothing bags being despatched by the charities that reported to us.

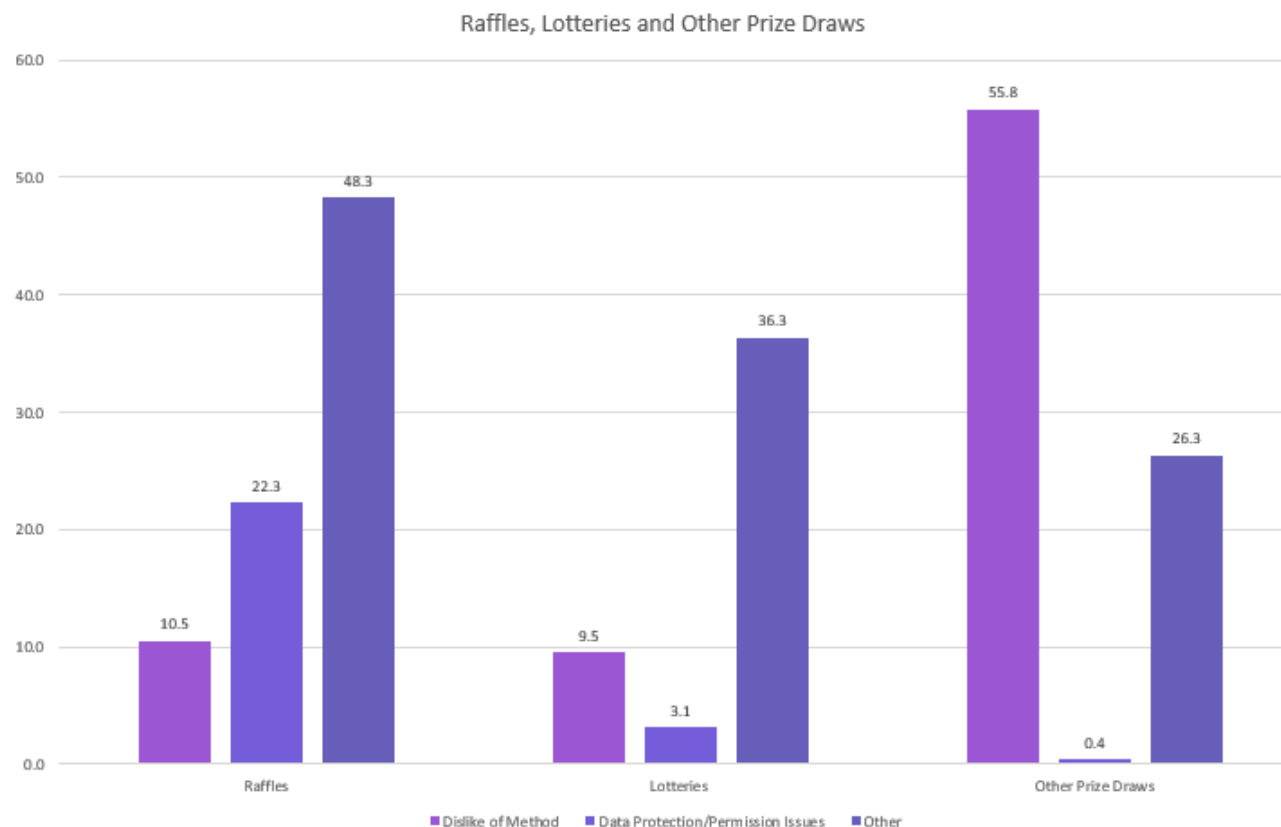
As with face to face methods of fundraising, when asked to report the cause of the complaints a large number of charities did not provide a reason.

Similarly, complaints reported about Cash Collections were rarely categorised. However, we can see that the ratio of complaints about Cash Collections to reported activities was low – 216 complaints in relation to nearly 700,000 activities.



## Raffles, Lotteries and Other Prize Draws

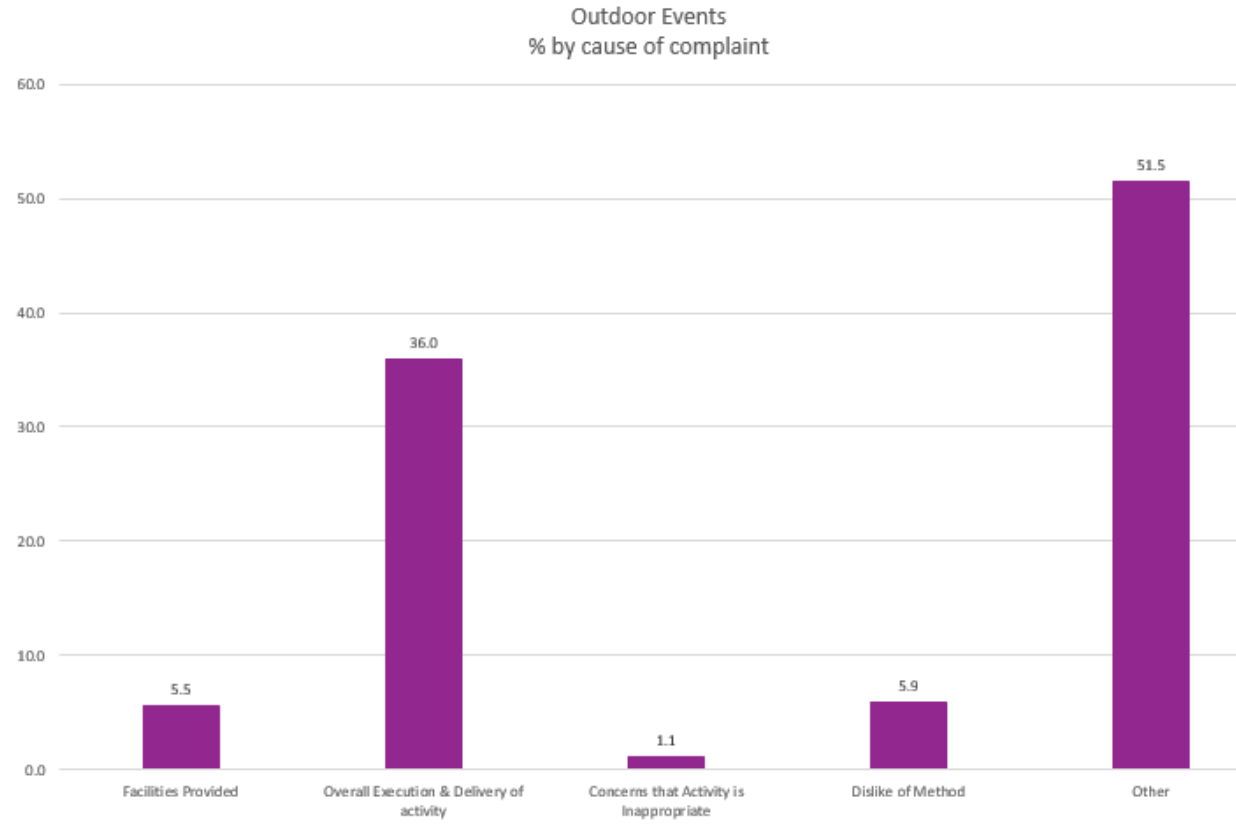
The combined number of complaints reported about Raffles, Lotteries and Other Prize Draws accounts for around 6% of the total complaints reported across the sector. As with the information received for public collections, a large percentage of complaints were reported with the category 'other' or where no reason was provided.



However, as shown in the graph above, those charities that did record and report the cause of those complaints noted a significant proportion of complaints received related to either the method itself (this was particularly the case with Other Prize Draws) or to 'Data Protection/Permission issues'.

## Outdoor Events and Social Activities

Outdoor Events are defined as activities that involve an element of physical exertion. They include, for example, fun runs, five a side tournaments and marathons but do not include outdoor concerts, fetes, fairs etc.



961 complaints were reported about Outdoor Events, accounting for just over 2% of the total complaints reported. This should be viewed in the context of charities reporting that over 1 million outdoor events took place in 2016.

As with other methods of fundraising, a high proportion of charities categorised the complaints as being about '*Other*'. Of those that did specify the cause of the complaint, 16% were related to the delivery of the event itself with a further 5.5% being about the facilities provided at the event.

Social Activities are defined as fundraising activities that have a specific social focus. Just under 500 complaints were reported about this method of fundraising and, as with a number of other methods, specifying the reason for the complaint appears to be less than straightforward, with a large proportion of charities opting for '*Other*' or not providing a reason at all. The number of complaints reported accounts for around 1% of the total complaints, in the context of 1 million reported activities.

### **Advertising**

This refers to Radio, Outdoor, Press and TV Advertising. The number of complaints reported about these methods were so low that it is not possible to do any meaningful analysis.

Radio, Outdoor and Press Advertising received less than 50 complaints. TV Advertising reported just over 700 complaints but, when viewed in the context of the estimated audience reach (4.7billion), the ratio of complaints to activity is very small.

### **Trusts and Foundations**

Less than 20 complaints were reported about Trust and Foundation fundraising. Those complaints were reported by 13 charities and none of those charities reported the complaints as being linked to a specific cause.

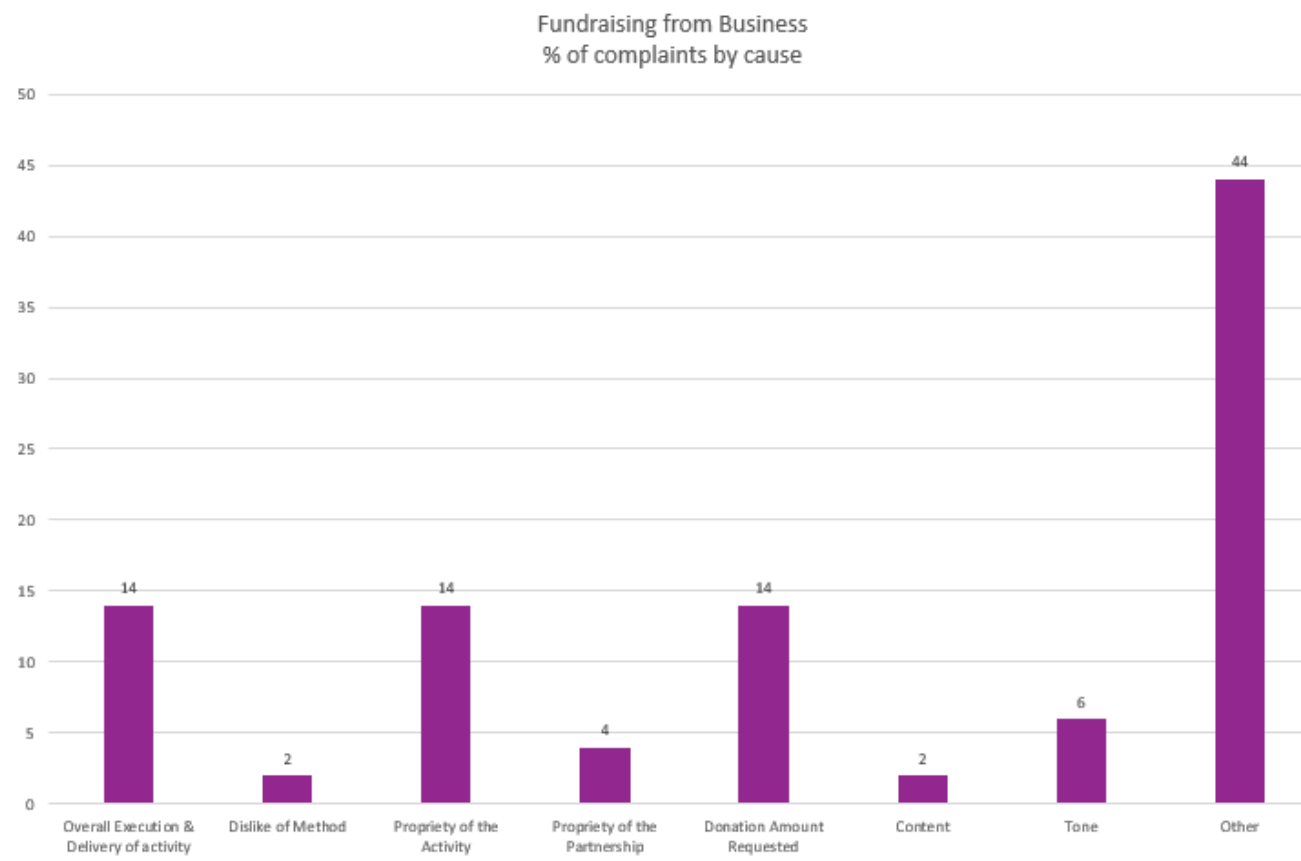
### **Volunteer Fundraising**

Volunteer Fundraising generated the highest level of complaints when translated into a percentage of the level of activity undertaken. This figure is due to the relatively low level of recorded activity (91,327), generating 348 complaints. However, as noted earlier in this report, this figure is not comparable to the other percentages of complaints compared to activity as it gives the number of complaints by volunteer activity and not by contact with potential donors.

We note that, given many charities may not always be aware of the activity being undertaken on their behalf, the assessment of levels of activity is unlikely to be accurate. We need to consider what more, if anything, charities should be expected to do to monitor this type of fundraising.

## Fundraising from Business

Charities reported 70 complaints about fundraising from business, in relation to an estimated 500,000 activities. A large proportion of those complaints were specified as 'Other' when asked for the cause of the complaint. The amount requested as a donation, the execution and delivery of the activity and the propriety of the activity each accounted for 14% of the complaints reported.



## **7. Our complaints process**

Part of our role is to investigate complaints about fundraising made to us by members of the public. When we receive a complaint we consider whether it is within our remit; if it was made to us within the time limit; whether there are implications more widely for the fundraising sector; if there is a risk to the public or to the charity sector (including a risk of loss of confidence in the integrity of charities and charitable fundraising more generally); and whether the complaint should be dealt with by another organisation such as another regulator or inspectorate.

We will usually ask the complainant to first take up the complaint with the fundraising organisation concerned; we consider that it is better to give organisations an opportunity to respond to complaints before we investigate a case. This is often the quickest way to resolve a complaint and for the organisation involved to implement learning where lessons are identified.

Feedback we have received from charities is that this is working and we have heard from a number of members of the public that charities have gone on to resolve their complaints to their satisfaction. This process of allowing the organisations complained about an opportunity to resolve concerns in the first instance is also a practice adopted by other regulators.

If a member of the public remains unhappy with the response they have received from the relevant charity, they can contact us and we will consider whether we need to investigate. Once the evidence has been gathered we will usually share our decision in draft with the parties to the complaint, allowing a period for comment before finalising our report and any recommendations.

Where a breach of the Code is found to have taken place we will make recommendations to prevent recurrence. We may also specify particular remedies if, for example, we consider that a member of the public should receive an apology from the organisation involved. In serious cases, we may refer a charity to the Charity Commission or the Information Commissioner for further regulatory action or remove them from our public register.

We publish anonymised summaries of a selection of our decisions to help the sector learn from our findings and recommendations and help members of the public understand what we can and cannot do. In some cases we may publish our decisions in full, for example, if we identify systemic issues through our casework or if the case is novel or the sector would learn from seeing the full context of a decision.

## 8. Learning from complaints we have received

From our launch on 6 July 2016 to 31 March 2017 we received 713 complaints. We dealt with over 600 of those cases in 2016-17 with around 100 complaints in hand at 1 April 2017.

In 2015 the FRSB reported that it received 868 complaints. Taking into account the three-month period of 2016-17 during which the FRSB was still operating, we are receiving a slightly higher number of complaints than the FRSB received. If this level is maintained, we can expect to receive around 1,000 complaints in 2017-18.

We received a large number of complaints that are out of our remit and, where possible, we have referred those to the relevant organisation - for example, the Charity Commission or Trading Standards. We also received a large number of complaints that had not been put directly to the organisation complained about and we have, for the most part, referred those complaints to the organisations concerned for them to consider.

In some cases, members of the public have told us that the charity concerned had resolved the complaints raised and there was no longer a need for our involvement. In those cases, we have let the charity know that their response resolved the complaint. We will continue to do this as part of our wider engagement with the sector.

Of the eight investigation decisions issued in 2016-17, seven were upheld, meaning that we identified breaches of the Code. Examples of breaches identified in 2016-17 were:

- a charity that was fundraising without the necessary licence;
- a charity that did not remove a donor's details from its system in response to a request; and
- charities inadequately monitoring third-party agencies working on their behalf.

Where necessary, we recommended action to improve charities' processes and identified remedies for the complainants, such as providing an apology for the failures we identified. In some cases complainants specifically told us that they did not wish to receive an apology and so we asked the organisations involved to respect their wishes.

In 2016-17 we also published the outcome of our investigation into the agency Neet Feet Ltd and eight of its charity clients. In that case, we identified a number of breaches of the Code on the part of the agency. We also found that seven of the eight charities under investigation had not made '*all reasonable efforts*' to ensure ongoing compliance with the Code. We published the full report of our findings.

Following this investigation we made changes to the Code to make clear to the sector what constitutes '*reasonable efforts*'.

## **9. Conclusions**

The ways in which fundraising is being undertaken continue to change and we need to work with the charitable sector to ensure we are providing the necessary guidance to assist charities and fundraising agencies to comply with the Code.

We have noted a clear willingness and commitment from organisations to work with us to continue to improve fundraising practices and ensure the best experience possible for donors.

We look forward to working with the sector to understand better what is causing complaints received by charities and the Fundraising Regulator, and to identify any trends.

As part of our engagement with the sector in our first year of operation, it is clear that many charities and agencies would welcome learning from casework examples and guidance on how to handle complaints.

We have already started to publish examples of our casework and are in the process of developing guidance for the sector on how to manage and deal with complaints.

We are also evaluating the process we followed when compiling this report and will shortly be making proposals on what we might do differently in future years as part of our regulatory role. In doing so, we will take into account the feedback gathered from those charities who provided us with information as part of this exercise, as well as reviewing what else we can do to provide the sector with the necessary guidance to help ensure good fundraising practices.