

## Guidance for fundraising platforms: 5 focus areas for donor transparency

The Code of Fundraising Practice requires that all reasonable steps are taken to treat a donor fairly, enabling them to make an informed decision to donate. All fundraising platforms should provide clear, transparent and accessible information on their services to ensure that members of the public know where their donation is going and what their rights are in the event of a problem.

The Fundraising Regulator analysed information provided to donors across eighteen well-known platforms. While we recognise that many platforms are already providing a significant amount of information regarding their activities, the five questions below were identified as key areas in which information is not always clear for donors. This guidance represents the minimum standard of information we would expect to see for donors to be able to make an informed decision to donate.

### 1. How much of each donation will reach the charity?

All Fundraising platforms should include a “Fees and Charges” page on their website. As a minimum, this page should be clearly highlighted:

- on the footer links at the bottom of the platform’s homepage; and
- on the donation page prior to the point at which the donor commits to donating.

The “fees and charges” page should include the following criteria to clearly set out how charges are levied on the donor and on charities, and how much of the donation reaches the charity:

- **The status of the fundraising platform:** Whether the platform is a private company, not-for-profit or charity.
- **The donation amount:** An example amount given by a donor. This should be based on a rounded donation of £10, exclusive of Gift Aid.
- **Gift Aid:** The amount of Gift Aid that applies to the donation (normally 25p on every £1 donated), minus any fee taken by the fundraising platform.
- **Administration fee:** Any fees levied on the donation by the online fundraising platform for administrative purposes. This should include ‘platform fees’, payment processing fees levied by third parties, and any other fees taken from individual donations.
- **Net donation:** The total amount that goes to the charity or cause after deductions and the addition of Gift Aid.

Example information for “Fees and Charges” page	
Donation	£10
Gift Aid	£2.50
Process Fee	£0.50
Total Cost to charity	£0.50
<u>Net Donation</u>	<u>£12.00</u>
Cost per month	nil
Setup costs	nil

In addition, the following information should be included:

- **Setup costs:** Any cost charged to a charity for setting up an account with the fundraising platform.
- **Cost per month:** Any monthly cost payable by charities for use of the fundraising platform.
- **Interest arrangements:** Whether or not the platform keeps any interest accumulated while donations are in holding accounts (see also question 5).
- **Donors covering fees:** Whether the platform offers donors the opportunity to cover some or all of the fees incurred.

While supplementary details may be added, it is recommended that this core information is included in the order and format stated to enable members of the public to easily draw comparisons between platforms.

## 2. How can donors or fundraisers make a complaint?

Complaints procedures should be accessible, open and transparent. They should include:

- The scope and type of complaints that the fundraising platform can consider, and what response complainants can and cannot expect.
- How the fundraising platform will work with fundraisers to resolve complaints concerning specific appeals.
- Timescales for considering a complaint and any possible remedies, for example, an apology.
- Clear signposting to the appropriate regulatory body, such as the Fundraising Regulator or the Scottish Fundraising Standards Panel, or the Financial Conduct Authority (FCA) in the event that an individual is unhappy with the outcome of your response.

## 3. What is your policy on refunds?

Information provided by the fundraising platform should include:

- Whether and in what circumstances refund requests should be directed to the fundraising platform or the fundraiser.
- In what circumstances a refund will be considered or automatically applied by the platform.
- Any criteria that the donor should be aware of in how the fundraising platform or fundraiser considers a refund request (for example, whether a refund is permissible in law).
- Whether and in what circumstances the fundraising platform charges a fee for processing refunds.

It should be made clear to donors and fundraisers that where no provision has been made for the repurposing of funds in the event of a failed appeal, the fundraiser is required to ensure that they comply with Charity Commission regulations relating to the refunding or repurposing of donations. Further information on the relevant regulations can be found in the [Code of Fundraising Practice](#).



#### 4. How are donations protected against fraud and how can donors be sure their contribution is being used for its intended purpose?

Donors should be aware of any risks regarding donating to an unknown bank account and have sufficient information to instil confidence that the donation will be used for its intended purpose. Information provided by the fundraising platform should include:

- What safeguards the fundraising platform has in place to protect a donor's money against fraud.
- What steps the fundraising platform will take if fraudulent activity is suspected.
- What happens to donations in the event that the money is retained or recovered by the fundraising platform due to fraudulent activity.
- Confirmation that their payment services provider is regulated by the FCA.
- A warning that where the funds raised do not go directly to a registered charity, donors ultimately give money to a private bank account at their own risk and that beyond a due diligence check on the account, the platform may be unable to verify the authenticity of the cause in such cases.

#### 5. What is your policy on donations to private bank accounts?

The Fundraising Regulator recommends that all fundraising platforms have a clear and transparent policy regarding donations going to private bank accounts and sets sensible limits to minimise issues regarding the transfer and administration of donations. Limits could include, for example, a maximum single or cumulative donation that can be given by an individual to a single cause, or a maximum target for personal crowdfunding campaigns.

It should be made clear to both donors and fundraisers what processing conditions and limits apply to donations, including:

- If the money is held initially by the fundraising platform, how this is held and its processes for sending donations to the recipient following the conclusion of an appeal, including timescales for transfer. It is recommended that if funds are held by the platform, they are held in a 'client account' separate from the account of the organisation running the platform to minimise the financial risk to funds raised should the organisation go into insolvency.
- What happens to any interest that may be accumulated on the donation while it is held.
- Whether there is a minimum and maximum amount that can be donated.
- Whether there is a cap on the maximum total amount that can be raised through a fundraising page.
- In the event that no cap exists, what happens to the surplus money if a page raises more than the target amount.

#### Displaying core information for donors

The Fundraising Regulator requires that the above questions are adequately addressed by all fundraising platforms and clearly signposted **before the individual commits to any donation** in an appropriate and prominent place (**for example, prior to the "donate" button being clicked**). To ensure consistency and enable easy comparison between sites, it is further recommended that a link to a "Fees and charges" page should be clearly highlighted on the footer links at the bottom of the platform's homepage.

