

ACAT CONFERENCE

FUTURE PROOFING YOUR BANKING RELATIONSHIP

NOVEMBER 2025

Confidential



***“LOOKING AT HOW CHURCHES
CAN PREPARE FOR POTENTIAL
FUTURE CHANGES IN BANKING
AND PREPARE/COPE WITH
CHANGE”***

THE CHALLENGE FACING THE SECTOR

Charities face the challenge of rising costs, growing demand, and increased competition for income.

CAF UK Charity Insights 2025:

44% of charity leaders cite cost rises as one of their main challenges, up 30% in four years

Demand for charity services continues to grow, with 83% of charities recording an increase over the last 12 months

Less than a third (30%) of charity leaders think the sector is in a healthy position

CAF UK Giving Report 2025:

£15.4 billion donated by the UK public last year, but giving trends show the number donating/volunteering/sponsoring is at its lowest since 2016

Charities rely on donations from only half (50%) of the population

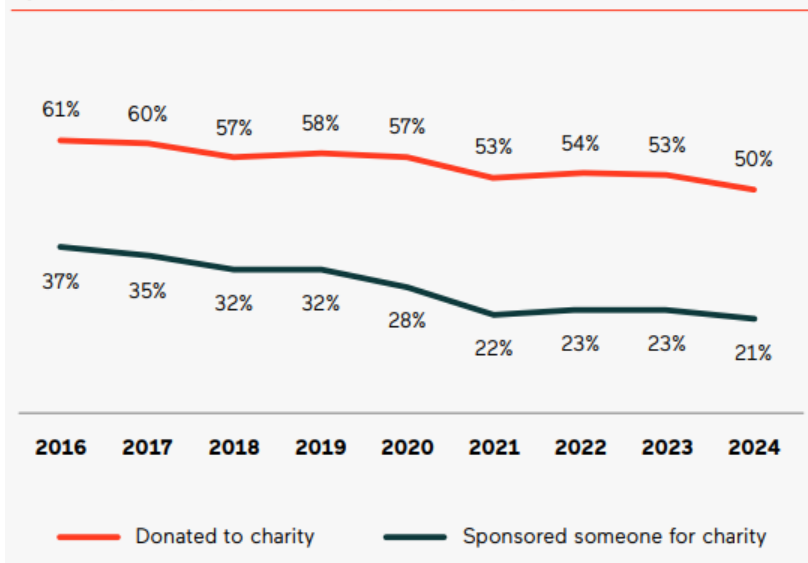
Charity Closures and Mergers:

Charity closures jumped from 87 to 151 between 2023/24 and 2024/25

News headlines of charity redundancies (Oxfam, Macmillan, Eden Project), shop closures (Cancer Research) and cut services (Samaritans) abound

Charity mergers are on the rise: drivers include mounting financial pressures, recruitment challenges, and shrinking budgets

Figure 2: Proportion of people who donated and sponsored in the past 12 months



MAXIMISING FUNDRAISING – INDIVIDUAL DONORS

CAF UK Giving Report 2025:

50% of people in the UK gave to charity in the last 12 months and only 21% sponsored someone for charity – the lowest levels since 2016

On average in the UK, people gave 1.1% of their disposable income to charity. But individual giving declines by age group

Different demographic donor groups engage in different ways

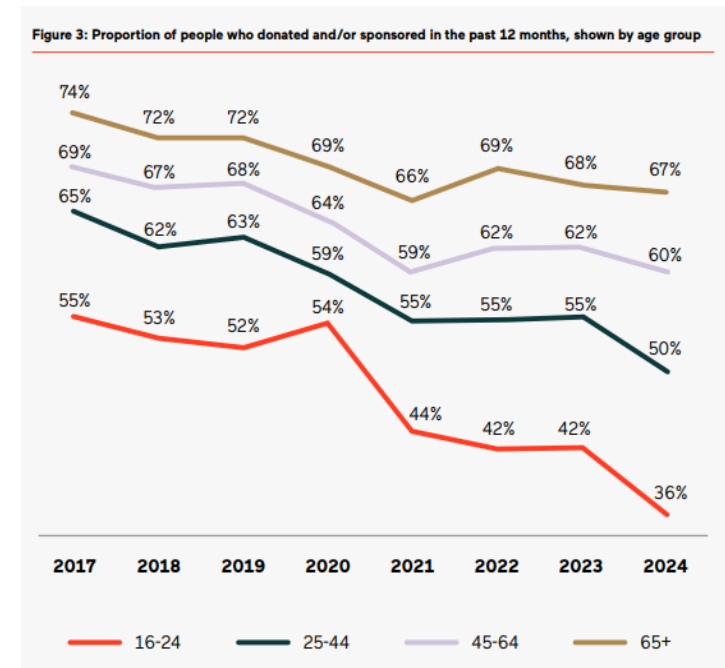
Younger donors (18-24): Buying goods (25%)
Using a fundraising app/website (22%)

Older donors (65+): Donate through direct debit/
standing order (56%); and use charity lottery (29%)

UK Local Giving Report 2025:

Some of the least affluent areas of the country are the most generous as a proportion of income

Place-based giving really matters so prioritise local giving campaigns



HOW IS BANKING CHANGING

The challenge of cash & cheques

- Significant decline in usage, but still important to a number of demographics.
- How do you pay it in, how do you store it.
- What are the risks?

Rules, Regulations & Reviews

- The “Know Your Customer” will continue.
- Consumer Duty will result in Bank’s becoming clearer about who their customers are.

Digital First

- A move away from call centres to chat and AI
- Can provide flexibility but may leave some behind.
- The rise of accounting systems and the need to integrate.

No longer just banks

- Is the bank a bank or a card?
- Does it matter?
- Should it matter?

“DEMONSTRATING THAT YOU UNDERSTAND YOUR FRAUD AND FINANCIAL CRIME RISKS, AND YOU HAVE APPROPRIATE CONTROLS AND GOVERNANCE IN PLACE TO MANAGE THOSE RISKS, IS VITAL IN MAINTAINING A GOOD BANKING RELATIONSHIP AS WELL AS PROTECTING YOUR ORGANISATION”

CAF BANK'S FINANCIAL CRIME OPERATIONS DIRECTOR

THE STRATEGIC LEVEL SECRET WEAPON – GOOD GOVERNANCE

Its not just window dressing

- It is really important.
- If it seems slow, just be careful how you are speeding it up.
- Do you have good records?

Risks

- Understand your own risks.
- Do your rules and controls manage those risks?
- If you are doing something new.... What are the risks?

Understand your environment

- Access and discuss research on both Church & wider sector trends.
- Use this to underpin your actions.

Challenge is Good

- It is ok to not all agree at first.
- Document the challenge and the considerations.

FINANCIAL CRIME

Take 5

- Does it look too good to be true
- Are you being hurried into a decision.
- Does it sound like your bank.

Pay safely

- ALWAYS CONFIRM new payee details through a separate means.
- ALWAYS CONFIRM if a payee changes bank details.
- Don't share debit cards
- Don't pre-sign cheques
- Don't share log ins

Give overseas safely

- How are your transferring funds?
- Think about cash risk
- Is there bribery – there may be offences in the UK.

Marketplace bargain?

- Buying online without seeing can be risky.
- Does it look too good to be true?
- How can you verify it?

EMBRACING TECHNOLOGY – THE POWER OF AI

Utilising the potential of AI is fundamental to improving outcomes



How can AI help? Small charities are far less likely to be adopting AI

There are a number of areas where charities might utilise AI

- **Communications, marketing, and PR** - develop content ideas; assist with writing or editing press releases, emails, or case studies. Check the tone of your materials
- **Fundraising** - Data analysis, streamlined fundraising programmes, understanding donors' behaviours. Use generative AI to help create quality, tailored grant applications
- **Governance** - AI tools can help produce meeting summaries, minutes, and summarise reports
- **Strategy and planning** - AI can help you to scenario plan by giving you situations on demand
- **Evaluation** - AI can help collect, optimise, and analyse vast volumes of data. You can use it to design surveys, generate insights and recommendations, and produce reports

Charity Excellence AI Bunnies – free tools designed to help charities find funding, answer questions, and create documents.

Any Questions.....

THANK YOU



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