



FundRaising  
Standards Board

# Confident About Fundraising

Fundraising Standards Board - Annual Report 2010/2011

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# ABOUT THE FRSB



©Barnardo's (The Big Toddle). Member since March 2007

## OUR AMBITION

“To increase and maintain public confidence in fundraising in order to protect and develop the billions of pounds of voluntary income that the public gives to good causes every year.”

## WHO WE ARE

**The Fundraising Standards Board (FRSB) runs the independent self-regulatory scheme for UK fundraising.**

Our member charities and sector suppliers commit to the highest standards of fundraising and to a formal complaints process, so that the public can continue to donate with confidence. The Fundraising Promise, adhered to by all members, is an assurance of honesty, accountability and transparency in fundraising. Members also display the *Give with Confidence* tick logo on their fundraising materials and website wherever possible as an indication of their commitments.

We encourage all charity fundraising organisations and suppliers to commit to self-regulation, welcoming new members every week. Members not only gain access to the *Give with Confidence* branding, but additional support and guidance in complying with the Codes of Fundraising Practice and in complaint handling. Annually, members are required to submit a complaints return to the FRSB and pay a membership fee tiered according to the voluntary income or turnover of the organisation.

If a member of the public is unsatisfied with one of our member's fundraising, the FRSB will work to help resolve the issue. Complaints are first directed to the charity or supplier concerned, but where complainants remain unsatisfied the FRSB will step in to secure a resolution. This includes the right to censure poor practice and enact changes in a member's fundraising activity to ensure compliance with best practice guidelines. In doing so, we aim to maintain the highest standards of fundraising in the UK and provide reassurance to the general public, building confidence in charitable giving.

## THE FUNDRAISING PROMISE

Members commit to the six core pledges outlined within the Fundraising Promise:

- We Are Committed to High Standards
- We Are Honest and Open
- We Are Clear
- We Are Respectful
- We Are Fair and Reasonable
- We Are Accountable

# CHAIRMAN'S INTRODUCTION

**Four years on from public launch of the Fundraising Standards Board (FRSB), I am pleased to present the 2010/11 Annual Report. Over the past year, we have seen significant growth; both in terms of our membership and maturing self-regulation.**

The team that work at the FRSB continue to drive membership and deliver strong, proportionate and transparent self-regulation of charity fundraising. It is essential that we continue this momentum to ensure that Government remains satisfied with the standard of self-regulation the sector has established.

Membership at the end of 2010 stood at 1,237. We have added 231 new members in the year with the number of supplier members having now reached 87 in total. Over the years, financial support from the English, Scottish and Welsh governments has been essential in the establishment of a robust self-regulatory scheme for UK fundraising. Funding from the Office for Civil Society, formally the Office of the Third Sector, and the Scottish Government has now come to an end, but we continue to receive their support and endorsement. We meet regularly with Ministers and representatives of all these Governments, feeding into the wider statutory environment for fundraising and updating them about

key developments at the FRSB. We are indebted to the Welsh Assembly Government for continued funding of the FRSB Wales office. At the end of 2010, there were 60 members in Wales. The number of new members continues to grow and we are well on our way to achieving our membership goal of 100 for the country.

I hugely value the input and direction of our governing board in ensuring a robust, fair and representative approach to self-regulation. Made up of a balanced number of sector and lay representatives, our board works hard with the FRSB team to retain our independent focus.

Providing a channel for independent donor feedback, we report back to the sector on the issues that the general public feel most strongly about. Equally, it is crucial that we engage closely with fundraising practitioners and the wider charity sector. The FRSB works with other sector bodies such as the Institute of Fundraising, Charity Commission, PFRA, NCVO, WCVA, SCVO and NICVA. Our Membership Advisory Forum also has a key role to play in influencing FRSB strategy and it provides a channel for regular dialogue and feedback from members. I would like to express my thanks to the forum and to these sector bodies for their continued support.

“ I would like to congratulate the FRSB on its continuing growth and development in promoting best fundraising practice in the charity sector. Good self-regulation ensures high levels of public trust and confidence and that charities need to operate effectively. I am pleased that the FRSB continues to make good progress towards that goal.”

Nick Hurd, Minister for Civil Society



Colin Lloyd, Chairman

# CHAIRMAN'S INTRODUCTION cont



The level of fundraising activity and complaints recorded continues to rise year-on-year as membership grows and more charities submit complaint returns; a key requirement for FRSB membership. This year, 18,442 complaints were recorded across the full membership. While this is a significant number, it remains an extremely low proportion of fundraising activity and we are confident that the fundraising practiced by our membership is of the highest standard. This year's analysis offers interesting insights into the issues that lie behind those complaints, highlighting the need for charities to ensure that they are working with good and current data when reaching out to donors and potential supporters.

This year, two adjudications were made, one of which was the first FRSB adjudication to be upheld. Our focus here is on supporting donors and charities in resolving these complaints, identifying any fundraising practice that needs to be changed and helping charities enact those changes.

We are particularly proud to have worked with Plan International, the Institute of Fundraising and several of the top charities involved in 'child sponsorship' to develop a charter that aims to bring greater clarity and transparency to this type of fundraising in the UK. Five top child-focused charities have committed to the new Child Sponsorship Charter, which specifies what 'child sponsorship' means and how it should be portrayed and marketed to the public.

The FRSB's *Give with Confidence* tick logo has been widely displayed by members this year across a range of fundraising media and appeals creating millions of impressions. From train stations and collection tins to press and TV adverts, the brand was highly visible. Use of the logo is a vital step in communicating membership to donors and supporters and to provide added reassurance of commitment to best practice and regulation.

Thank you to all our member charities and suppliers for their commitment, to our stakeholders for their support and to all our Board and staff for their continued hard work.

Colin Lloyd, Chairman

## FRSB HIGHLIGHTS

- Membership growth to 1,237 charities, with 32% growth amongst large charities generating £10-20m in voluntary income each year
- In-depth analysis of the issues that lie behind fundraising complaints, informing the sector
- The co-development of a charter with a number of charities involved in "child sponsorship"
- Increased awareness of the *Give with Confidence* message through members' use of the logo on fundraising materials
- The first upheld adjudication was made by the FRSB Board

# LOOKING AHEAD: BUILDING DONOR CONFIDENCE

**The FRSB is now making a significant impact on upholding best practice and high standards in fundraising and, in so doing, building trust and confidence in the eyes of the donating public. This is the very essence of what the FRSB was established to achieve.**

Looking ahead, the fundraising landscape remains very competitive and while the public need to be able to trust the charities they support, they continue to demand high standards in all that charities do, particularly when it comes to fundraising.

We are seeing an increasing level of evidence that donors' expectations and demands of the charities they support continue to rise. Membership of the FRSB is providing added reassurance to supporters. Charities that commit to self-regulation are seen to have gone the extra mile to ensure high standards and greater transparency and accountability with their supporters.

At the FRSB, we are committed to supporting our members, large and small. Over the course of this year, we will be introducing a number of additional initiatives to help charities and suppliers in their fundraising work, support them when adhering to any regulatory and best practice changes and look to them for their feedback and comment as and when the statutory review of the 2006 Charity Act is undertaken.

“ At Which? We have the consumers' interests at heart in all matters including charitable fundraising and donating. It is imperative that all charities see the value of being open and transparent with their supporters. The work of the FRSB in regulating fundraising for the sector is key to maintaining public trust and confidence”

Helen Parker, Assistant Chief Executive, Which?

They include:

- **Workshops for handling difficult complaints.** The FRSB will implement a number of workshops across the country, designed to help members handle difficult complaints and to deliver the highest levels of supporter care. In partnership with the Samaritans, we have already held two pilot workshops which have proven to be very successful with positive feedback from all attendees.
- **Bogus House-to-House Clothing Collections.** The FRSB has received numerous complaints about bogus clothing collections. This is something of great concern to us, our members and the general public. Early in 2011, Minister for Civil Society, Nick Hurd, called together the key stakeholders affected by the increasing level of bogus clothes collections, including the FRSB. Together, we are working to prevent bogus collections by educating the public about this risk to charity fundraising. The Institute of Fundraising's best practice guidance has now been expanded to cover clothing collections and a symposium will be held in the coming months to agree the next steps necessary to minimise bogus collections.



Alistair Mclean, Chief Executive

## LOOKING AHEAD: BUILDING DONOR CONFIDENCE cont



- **FRSB member audit.** As identified within our initial mandate (set out by government in 2006), the FRSB is rolling out a member audit in 2011 to assess compliance with the conditions of membership. It is planned that the audit will be undertaken annually and will be based on a random selection of some 5% of our membership. We believe that the audit is an important element of self-regulation and that it will further underpin the credibility of FRSB membership

- **Benchmarking complaints for members.** This year, the work of leading fundraising academic, Professor Adrian Sargeant of Bristol Business School and Indiana University, has enabled us to examine complaints in greater detail, the nature of them and issues related to them. With the benefit of the accumulation of a few years of complaint data, the FRSB is now in a position to help members benchmark their performance in relation to the sector and their peers. We will consult with members to identify whether this would be of value to them and how best to present this data in the future.

- **Poor fundraising practice by non-members.** We continue to respond to complaints from members of the public in the context of poor fundraising by non-members. As we all know, one fundraising scandal can be enough to prevent the public from giving to charity. In a concerted effort to protect the charity brand and to highlight the high standards that our members adhere to, the FRSB will continue to challenge poor fundraising practice beyond our membership. We aim to inform practitioners where things have gone wrong and to gain their commitment to best practice.

Later this year, the Government will launch the Statutory Review of the 2006 Charity Act. Part of that review will include an assessment of the sector's progress to the original objectives of achieving strong, effective and proportionate self-regulation of fundraising. Over the past 5 years we have worked closely with government to demonstrate our progress in achieving those objectives and intend to support the review and the work it will undertake.

There remains much to do at the FRSB. We are a young organisation charged with an enormous responsibility to help uphold and maintain the highest possible standards of fundraising in the charity sector and that is a responsibility that we cherish. We will continue to challenge the sector about standards when required and we will do all we can to ensure that the public retain their confidence in the work of the sector and trust in the charities they support.



Alistair McLean, Chief Executive

With the benefit of the accumulation of a few years of complaint data, the FRSB is now in a position to help members benchmark their performance in relation to the sector and their peers.

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# SETTING THE STANDARDS: THE INSTITUTE OF FUNDRAISING

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**In the current harsh economic climate, it has never been more important for fundraisers to have public trust and support for the vital work they do. Using best practice tools like the Codes of Practice are a key way for fundraisers to gain this confidence, and to that end, there has been much work done this year to ensure the Codes remain as representative and relevant as possible.**

Most notably, the House-to-House Collections Code was relaunched in April. The new Code now includes dedicated guidance around goods collection, a timely update given the level of media interest in goods collections issues. The Handling of Cash Donations Code has also been expanded to cover other popular donation collection methods, such as card, cheque and electronic transfers and, approval from the Trustees and Standards Committee permitting, it will be launched in the autumn.

The Committed Giving in the Workplace Code has also been expanded with the addition of new common service standards on best practice guidance for professional fundraising organisations and payroll giving agencies - a joint piece of work from the Institute and the Association of Payroll Giving Professionals.

But it wasn't just the Codes that were developed this year; tools supporting the use of the Codes also received attention. One example was the creation of Codes checklists, making the Codes easier to navigate, especially for the reader looking for specific information.

The Institute has continued to work with the Fundraising Standards Board and other special interest groups to create pieces of guidance to expand on issues raised by the Codes. An example of this is the House-to-House guidance for the public to explain why charities may undertake their own goods collections, or why they may sometimes use a commercial collector. Importantly guidance not only gives context but explains that both methods are relevant and effective when done correctly. The FRSB also led on creating a Child Sponsorship Charter, to accompany and expand on guidance in the Accountability and Transparency Code.

Other new initiatives have been launched this year including a Codes alert email, updating subscribers to changes in the Codes, and a call for fundraisers to provide case studies around their experiences with the Codes, to be used both as a testament to the impact of the Codes and a learning tool for others.

Of course the Codes will only remain effective if they continue to address evolving issues and so the next 12 months will see continued development, with revisions to the Fundraising through Electronic Media Code and new tools to keep the Codes fresh and relevant.

It is important always to bear in mind that the Codes are living documents of the fundraising profession and that there must be continuing input by fundraisers if they are to remain fit for purpose.

A handwritten signature in black ink that reads "Alan Gosschalk". The signature is written in a cursive, slightly slanted style.

Alan Gosschalk, Acting Chair of the Institute of Fundraising

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## YOUR VOICE: SUPPORTER CARE

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**The National Trust is a proud member of the FRSB and was one of the first charities to sign up. At first I thought - 'well, this won't really affect me, I'm pretty confident we are fine with our donor care'. But as I read the Fundraising Promise, it prompted me to take another look at our customer care programme and talk to the team who deal with complaints.**

We are pretty good, but there is always room for improvement and being in regular communication with the FRSB has made me far more aware of how important it is to put excellent donor care in place, and how disastrous it can be if it goes wrong.

Communication is such a key part of handling complaints; when and what to say, tone of voice and careful wording are all very important. I know of several cases where our donor care has been so good that we can turn around a complainant so they resume their giving. Sadly, I also know of occasions where donors have preferred to lapse their giving because of some dissatisfaction, rather than make their voice heard. This is more calamitous than if they had made the complaint because at least then we could have established a dialogue.

It is inevitable that supporters, or indeed non supporters, will make complaints to charities but carefully thinking through how people will feel about a communication, or an advertisement or perhaps a campaign can minimise such reactions. The FRSB is not just there to rap knuckles when complaints have gone beyond being dealt with by the charity - they perform a vital function in minimising poor practice. The Institute of Fundraising's Codes of Practice are essential reading for all of us in fundraising - and the FRSB makes us think deeply about how to implement them and what it could mean if we stray from the path.

Donors support us in good faith - giving a donation is not like buying a product - which you can see and feel or taste once it becomes yours. Giving a donation means the money will go towards a cause which is not always visible or tangible. Charities need to ask with confidence, and donors need to give with confidence. That way, truly remarkable things will be achieved through philanthropy.

I am proud to see that, considering the size of our sector, and the growing band of members of the FRSB, complaint numbers are pretty low, and nearly all dealt with at the first stages. Long may that remain because donor confidence in charities is vital to our existence. We must take very good note of the Fundraising Promise and keep it close to our working practice, aiming to not only provide the highest standards of fundraising, but of supporter care.

A handwritten signature in cursive script that reads "Gill Raikes".

Gill Raikes, Director of Fundraising,  
The National Trust

# A GROWING MEMBERSHIP

**Over the past 12 months the FRSB has continued to see a growth in membership, a key criteria in judging the success of self-regulation of fundraising in the UK.**

The increase in membership numbers means that the *Give with Confidence* tick logo is being more widely used and has become more recognisable to the public as a symbol of best practice. This in turn helps to maintain and build public trust and confidence in charitable fundraising.

“As a local charity, Northern Ireland Hospice relies upon the generosity of the people of Northern Ireland to help us ensure that local families struggling to come to terms with an incurable illness receive the care and support they need. We have to raise £5m every year. With the recession, the charity sector here is coming under increasing pressure with more and more competition for the donor’s £1. Membership of FRSB tells the general public that we are an accountable charity and one worthy of support. It makes a difference.”

Ina Henry, Director of Income Generation, Northern Ireland Hospice

## MEMBERSHIP BENEFITS

- Use of the *Give with Confidence* brand and logo
- Expert advice on compliance with fundraising best practice and complaint handling
- A guidance manual for complaint handling; from setting up a professional complaints procedure to handling and monitoring those complaints
- Training in how to deal with difficult questions about your charity’s fundraising and complaints
- A members helpline (0845 402 5442)
- Monthly newsletter summarising key developments in fundraising best practice

FRSB membership grew by 11% in 2010 and the scheme now represents more than 41% of all UK voluntary income. Wales continues to see significant growth in membership (54%) and the South West and South East of England have seen gains of 17% and 13% respectively.

## FRSB MEMBERSHIP IN NUMBERS

There are **1,237** FRSB members (to end of 2010)

**1,138** members are charities, **87** are suppliers, **12** are advocates that promote FRSB membership to their networks

**231** new members joined the FRSB in 2010

**85%** of new members are charities, **14%** are suppliers

**13%** of charity members work in medical & research, **12%** child & youth and **11%** disability.

**70%** of charity members raise under £1m a year

The largest growth in charity membership came from organisations with a voluntary income between £10-20m (**32%**)

Regionally, the biggest areas of growth were seen in Wales (**54%**), South West (**17%**) and South East (**13%**)

# A GROWING MEMBERSHIP cont

## KEY AREAS OF MEMBERSHIP GROWTH

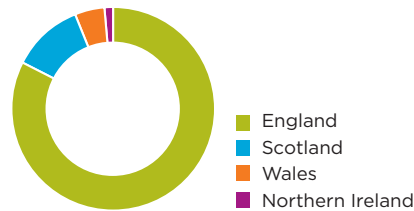
Over the past year, there have been two key areas of membership growth; the larger charities with a voluntary income of over £5 million and membership in Wales.

2010 saw the biggest percentage increase in members coming from the £5m+ voluntary income charities (16%) and more specifically within the £10-20m group which saw a 32% increase in numbers over the period. This category of membership is important in sustaining and building income levels at the FRSB, as well as raising awareness of the scheme to the public and setting the bar for other organisations within the sector. Membership has grown significantly in Wales, with membership increasing from 39 at the end of 2009 to 60 by the end of December 2010. This continued growth in membership in Wales is attributed to the work of the FRSB Wales office, led by Simon Boex and funded by the Welsh Assembly Government.

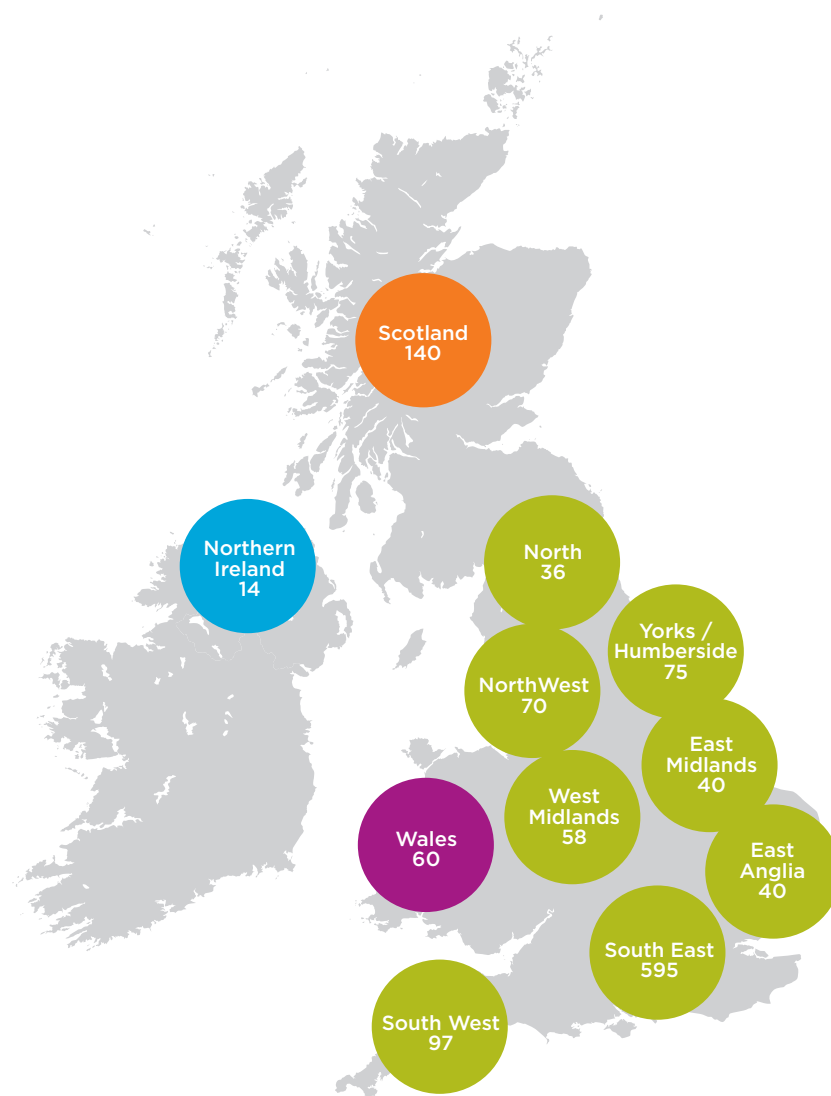
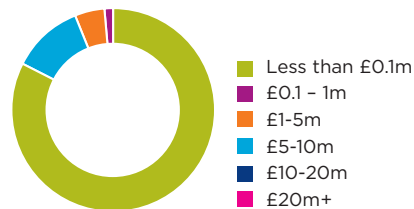
Supplier membership has also continued to grow at a fast pace, with a 36% increase to 87 supplier members during 2010. This is often driven by demands from the charity clients they work with. We continue to hear from charity members that they expect and prefer that the suppliers they work with are committed to self-regulation.

Geographical distribution of the membership shows that 1017 (82%) are located in England, 145 (12%) in Scotland, 60 (5%) in Wales and 14 (1%) in Northern Ireland. Nearly half the membership (49%) is based in the South East of England; reflecting the distribution of the charity sector as a whole.

Membership by nation



Membership by voluntary income



# A GROWING MEMBERSHIP cont

## LISTENING TO AND WORKING WITH OUR MEMBERS

In what is an extremely challenging environment, it is crucial that we know what our members think and what challenges they are facing in order that we can provide them with the resources they need. The FRSB Membership Advisory Forum continues to provide us with an excellent feedback mechanism and our members with a route to channel any thoughts or views they have about the scheme. Over the past 12 months the Advisory Forum has helped us with recruitment activity, the development of the 2010 Annual Complaints Return and additional member resources.

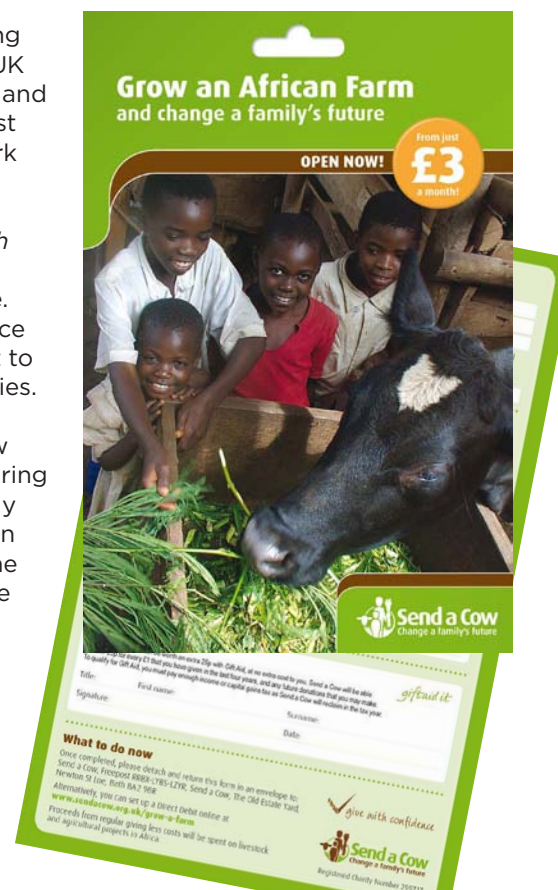
We are always looking for ways in which to improve the service we deliver to our members and we encourage all our members to get in touch whether directly or through the Advisory Forum.

## BUILDING DONOR CONFIDENCE

- 75% of people say that trust influences their decision to give (TNS 2009)
- Almost two thirds (64%) of donors would have more trust in charities that are members of the FRSB (TNS 2011)
- Over a third (37%) of donors would donate more money to a charity if they knew it was an FRSB member (TNS 2011)

One of the core drivers for introducing self-regulation of fundraising to the UK was to protect and build public trust and confidence, while introducing a robust and appropriate regulatory framework covering the full range of charity income generation. FRSB members gain exclusive access to our *Give with Confidence* tick logo for use on any fundraising materials offline or online. This is the public's mark of reassurance and a sign of a charity's commitment to best practice in all fundraising activities.

The *Give with Confidence* logo is now widely used by our members and, during the peak pre-Christmas months, rarely a day went by without it being seen in a national newspaper appeal or on the television. The more charities that use the logo, the more public awareness, trust and confidence will grow.



“I would like to say a very big thank you for the work and advice the FRSB has given to us. The knowledge gained has helped the compliance team at Action for Children to work more effectively within their role.”

Alma Johnson, Senior Compliance, Action for Children

# FRSB SCOTLAND AND NORTHERN IRELAND

“The FRSB has been working with NICVA to engage with the Charity Commission for Northern Ireland to advance the issue of self-regulation.

The Charity Commission for Northern Ireland (CCNI) is the new independent regulator of charities in Northern Ireland responsible for ensuring Northern Ireland has a dynamic and well governed charities sector, in which the public can have confidence.

The FRSB and NICVA met jointly with the CCNI to agree the way forward for self-regulation and came to common agreement on how to promote membership of FRSB. From April 2011 NICVA will promote an FRSB membership scheme alongside broader promotion of the IOF Codes of Practice.”

Neil Irwin, Fundraising Advice Manager, NICVA

**The FRSB’s office for members in Scotland and Northern Ireland is based in Edinburgh. Membership in Scotland and Northern Ireland has grown during the past year to 145 organisations, each now committed to the self-regulation of fundraising as members of the FRSB.**

In Scotland, 13 new members joined during the year, giving a membership of 136 charities/fundraising organisations and 4 suppliers. There are a further 5 advocate members, including SCVO (the Scottish Council for Voluntary Organisations), Argyll Voluntary Action and VAS (Voluntary Action Shetland).

In Northern Ireland, 3 new members joined, taking membership up to 14 organisations (12 charities and 2 suppliers). In 2011 the FRSB is working collaboratively with NICVA (the Northern Ireland Council for Voluntary Action, also a FRSB member) on a promotional campaign to recruit new members in Northern Ireland.

“Being a member of the FRSB has proved to be invaluable to Erskine. It gives our supporters confidence when giving us their valuable donations and they know it will be used appropriately. We always use the logo on our promotional materials. The data they supply us with on charity complaints is really useful as it ensures we do not make the same mistakes others have made. Quite simply I think every charity should be part of this.”

Jim Panton, Chief Executive, Erskine



©TinyLife (Ryan Beggs and TinyLife patron Paddy Wallace). Member since March 2009

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# FRSB WALES

**Now into the second year of funding from the Welsh Assembly Government, £115,000 over three years, the FRSB community in Wales has seen a continued growth in membership to 60 charities and suppliers. This is in line with our projected target of 100 members by the end of 2012.**

The Manager for Wales, Simon Boex, had a full diary throughout the year, attending a number of events to raise awareness of the FRSB amongst the voluntary sector in Wales. These include a number of national conferences, such as the Wales Council for Voluntary Action AGM, those for Trustees and Funding and local Funding Fairs run by the county Voluntary Councils. The FRSB works closely with the Institute of Fundraising Cymru, contributing to workshops and conferences across both North and South Wales. Simon also meets regularly with existing and prospective member charities and suppliers, aiming to spread best practice and build the FRSB community in Wales.

In November, FRSB Wales launched a promotion with the WCVA to drive new membership and this will continue to run throughout the coming year. It is a significant incentive to encourage membership take-up during difficult times for voluntary organisations and demonstrates WCVA's continued commitment to self-regulation in Wales. The FRSB Wales is grateful for the

support of all partner organisations which has been vital to raising awareness of the self-regulation of fundraising both among voluntary organisations and charity donors.



©Amgueddfa Cymru – National Museum Wales. Member since October 2009

“There was mixed opinion as to whether we should join the FRSB in its infancy, but we are really pleased that we made the decision to sign up as we feel that membership and the use of the tick logo makes us stand out from other charities who are not members. We work hard at following best practice in our fundraising and membership verifies that for our donors, making them feel more secure.”

Andrew Chiplen, Finance Manager,  
The Amelia Trust Farm

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# RAISING STANDARDS: COMPLIANCE & COMPLAINT HANDLING

“Plan is proud of our child sponsorship heritage and approach and we know the importance of being accountable to our existing and prospective donors. So when a complaint about our TV ad was rejected by the ASA we went a step further, and asked the FRSB to work with us and a group of international development charities to develop a common set of standards on how best to promote child sponsorship. Child sponsorship is a great way to bring international development issues to life, but different agencies operate different models. The resultant Charter will help deliver further clarity about different child sponsorship offers and the way in which we work. “

Jeremy Cooper, Fundraising Director,  
Plan UK

**The FRSB is committed to ensuring that fundraising best practice is followed across the charity sector. Not only is it a complaint handling body, but it is also responsible for ensuring that its members comply with the Institute of Fundraising Codes of Fundraising Practice and are transparent, accountable and respectful of donors.**

## COMPLIANCE

Our members are expected to fully comply with the Institute of Fundraising's Codes of Fundraising Practice; an extensive resource of both legal requirements and best practice for every method and aspect of fundraising.

During 2010, we met with several members to discuss how they could best implement the codes of practice in their respective organisations.

We place great emphasis on the fact that the codes must be made part of an organisation's everyday culture. This includes making new employees aware of the codes and ensuring all staff know where to go to access them as and when necessary. It's also really important that campaigns are regularly spot checked against applicable codes.

In meetings with members, we promoted the idea of organisations setting up a network of “code compliance champions” where it was appropriate. This concept centred on the idea that “champions” would become experts in the codes that were most applicable to their roles/departments and would be a first point of contact for any internal enquiries about the codes.

We of course realise that there can never be a “one size fits all” approach with regards to code compliance and we are always happy to give advice over the telephone and by email.



©Salvation Army Trading Company Ltd.  
Member since December 2007

# RAISING STANDARDS: COMPLIANCE & COMPLAINT HANDLING cont

## COMPLAINT HANDLING

Charities who commit to self-regulation must record every fundraising-related complaint they receive and submit an Annual Complaints Return recording the number and nature of those complaints. Complaints are handled in line with the FRSB's three stage complaints procedure [www.frsb.org.uk/english/advice-and-regulation/complaints/our-process](http://www.frsb.org.uk/english/advice-and-regulation/complaints/our-process)

In light of the current economic climate, the importance of donor retention cannot be over-emphasised. Typically, it costs five times more to recruit a new supporter than it does to retain one and great complaint handling is key to keeping a supporter on board. Every complaint can be an opportunity. A complaint gives an organisation the opportunity to talk one on one with supporters, to find out how they feel about its fundraising; what they like and what they don't and what needs changing if necessary.

As well as the "top tips box" opposite, we have recently updated our complaints manual which is freely available at [www.frsb.org.uk](http://www.frsb.org.uk). We are confident that the advice we give will help members to develop valuable and lasting relationships with their supporters.

The FRSB has also introduced workshops for handling difficult complaints.

## 5 TOP TIPS

- Learn from every complaint – Do something! Fix the process, train staff in the issue, and eliminate the fault. It's a powerful way of helping to improve your organisation, enhancing your reputation and increasing trust.
- Make it easy for someone to give you feedback. Publish your complaints procedure (on your website or in charity literature), stating how people can get in touch with you.
- Treat every complainant as an individual. Complaint topics may be repetitive but every person is different.
- Obtain all the facts – Encourage the supporter to give you all the information so you fully understand the situation. Make sure you understand what the supporter expects to happen and be clear about what you will deliver.
- Take your time over each and every response. Don't rush!
- For more handy tips, please visit [www.frsb.org.uk/english/advice-and-regulation/complaints/handling-a-fundraising-complaint/](http://www.frsb.org.uk/english/advice-and-regulation/complaints/handling-a-fundraising-complaint/)



© Devon and Cornwall Police Air Support. Devon Air Ambulance Trust member since April 2008

"I thought the workshop was excellent in everyway. Highly competent, kept my attention throughout and worked with a huge group which is not an easy thing to do. The course was great."

Delegate at first Handling Difficult Complaints workshop

# FUNDRAISING COMPLAINTS REPORT

**In the first quarter of each year, FRSB members are required to complete an Annual Complaints Return, submitting details of all fundraising complaints received during the previous calendar year. This data, when accumulated, provides useful information about complaint trends and the areas of fundraising that the public is most concerned about.**

As well as informing the charitable sector at large, monitoring complaints and completing an Annual Return helps each member determine which fundraising activities; the method, messages, tone and style within, are most likely to offend supporters. This is an important consideration when assessing the success of each fundraising activity throughout the year. Annual returns can also be referenced internally by charities for monitoring and quality assurance purposes.

“At WSPA we make every effort to keep our supporters informed; to provide opportunities for them to interact and to make them feel integral to our success.”

Chris Stransom, Supporter Services Manager, WSPA

## COMPLAINTS REPORT 2010

The complaints table on page 16 shows both the number of fundraising related complaints and the proportion of complaints against the volume of fundraising activity reported by our members during the calendar year 2010.

As in 2009, while direct mail, telephone and door-to-door fundraising complaints top the chart in terms of the highest number of complaints in absolute terms, complaints as a proportion of the volume of activity in these three areas remains low.

Street fundraising yielded the highest percentage of complaints against volume during 2010 at 0.17%, but it must be noted that the measurement unit is for donor sign-ups rather than solicitations made. This year, corporate fundraising yielded a high percentage of complaints at 0.136%.

Cross-segmentation has identified that data protection accounts for 1,200 complaints and almost 1,800 were attributed to ‘poor’ data, emphasizing the importance of good, clean data, as well as appropriate use of that data. 515 of all complaints concern legacy fundraising. For further information about these areas, see the In Focus section of the complaints report.

## KEY OBSERVATIONS

- Of 3.9 billion donor contacts, 18,442 complaints were received.
- The top 50 charities by voluntary income account for 66% of all complaints but also account for 91% of fundraising volume.
- 71% of members reported no complaints.
- The top 3 fundraising activities by volume are TV advertising, Online advertising and Press advertising.
- Direct Mail generated the highest number of complaints (9,462). But, this equates to only 0.006% of the reported volume.
- Street fundraising incurred the highest proportion of complaints against volume at 0.17%.
- Only 12 complaints were escalated to Stage 2 of the FRSB complaints process and 2 of these went to a full adjudication.
- September 2010 saw the first upheld adjudication since the introduction of self-regulation of fundraising to the UK.
- The response rate to this year’s Annual Complaints Return was 80%.

# FUNDRAISING COMPLAINTS REPORT: 2010 COMPLAINTS TABLE

Fundraising type	Volume of activity	Complaints	% of Volume
Addressed direct mail	146,241,806	9,462	0.006%
Telephone	11,031,790	2,840	0.026%
Doorstep face to face	31,266,863	2,360	0.008%
Gaming activities (incl raffles, lotteries & other prize draws)	69,287,287	972	0.001%
Street face to face*	284,168	485	0.171%
Email	86,877,830	464	0.001%
Outdoor events (incl Challenge events)	1,290,373	437	0.034%
Online advertising	1,342,960,084	398	0.000%
Unaddressed direct mail	111,181,406	246	0.000%
TV advertising	1,350,616,310	175	0.000%
Volunteer led	310,998	105	0.034%
Cash collections*	2,110,317	103	0.005%
Press advertising & press inserts <b>NEW</b>	647,929,402	98	0.000%
Fundraising from business (corporate)	69,296	94	0.136%
Prospect face to face* <b>NEW</b>	332,002	79	0.024%
Social activities	211,856	65	0.031%
Major donors	257,975	44	0.017%
Trust & foundations	64,483	9	0.014%
Radio advertising	57,690,641	3	0.000%
Outdoor advertising <b>NEW</b>	110,632,830	3	0.000%
<b>Total</b>	<b>3,970,647,717</b>	<b>18,442</b>	<b>0.000%</b>

\* Volume figures denote the number of supporters secured or collections held rather than the number of approaches made

# FUNDRAISING COMPLAINTS REPORT: TRENDS AND RESOLUTIONS



©The National Gallery. Member since December 2009

**Now four years into self-regulation, the FRSB can present a clearer picture of fundraising activity and associated complaints across its growing and diverse membership base. Higher fundraising volumes and complaint levels are reported each year, reflecting the FRSB's growing membership as well as more comprehensive tracking and reporting.**

It is clear that no two years are the same and charities invest in a wide range of fundraising activity. And yet, the main sources for fundraising complaints are fairly consistent, with the same three areas of fundraising attracting the highest number of complaints year on year; direct mail, telephone and doorstep face-to-face. As a proportion of fundraising activity, it is street fundraising that tends to draw the highest percentage.

More information as to the nature of direct mail, telephone fundraising, data protection and legacy fundraising are provided over the following pages. For a fuller analysis of the complaints, please see Professor Adrian Sargeant's evaluation on page 23.

## KEY OBSERVATIONS

- The use of direct mail fell by 27% over the past year and yet the number of complaints increased by 86%.
- The number of people being contacted through telephone fundraising has increased by 134% over the past year, 245% over the past two years.
- Outdoor events (including challenge events) has increased by 22%, and yet the rate of complaints has dropped by 27%.

# FUNDRAISING COMPLAINTS REPORT: 3 YEAR PICTURE

Fundraising type*	Volume of activity 2008	Complaints 2008	Volume of activity 2009	Complaints 2009	Volume of activity 2010	Complaints 2010
Addressed direct mail	53,062,800	3,608	200,392,580	5,081	146,241,806	9,462
Telephone	3,193,114	1,170	4,719,957	2,147	11,031,790	2,840
Doorstep face to face	12,582,340	479	22,382,011	2,106	31,266,863	2,360
Data protection	n/a	238	n/a	1,172	n/a	1,200
Gaming activities (incl raffles, lotteries & other prize draws)	26,871,776	382	44,476,829	436	69,287,287	972
Legacies	n/a	304	n/a	156	64,299,993	513
Street face to face**	403,370	227	147,880	312	284,168	485
Email	10,324,126	211	74,926,415	234	86,877,930	464
Outdoor events (incl Challenge events)	n/a	400	1,061,042	595	1,290,373	437
Unaddressed direct mail	92,490,521	360	131,296,211	224	111,181,406	246
Social activities	n/a	35	247,365	43	211,856	65

\* Only includes data for categories that have 3 years of comparable complaints and/or volume data

\*\* Volume figures denotes the number of people who signed up to complete a Direct Debit donation form rather than the number of 'asks' as with other categories

# IN FOCUS: DIRECT MAIL



©Childreach International. Member since November 2008

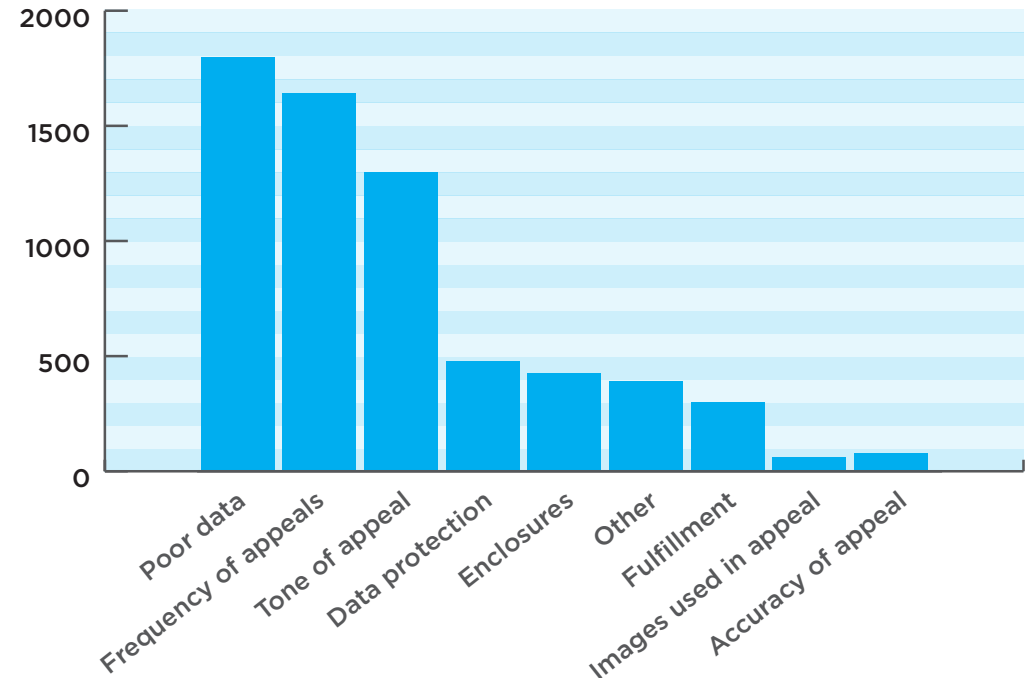
**Within this area of the complaints report, we explore some of the underlying issues behind direct mail, telephone fundraising, data protection and legacy fundraising.**

## DIRECT MAIL

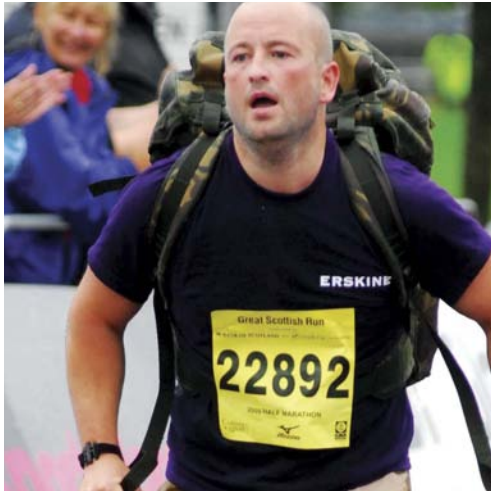
Although the volume of direct mail activity seems to have declined within our membership over the past year, it is still a crucial fundraising activity for so many charities. 146 million fundraising contacts were made (down from 200 million in 2009), leading to 9,462 complaints (up by 86% on the previous year). Out of the 9,462 direct mail complaints recorded by FRSB members in 2010, details were provided for the nature of over two thirds (6,556) of those complaints.

Poor data, which included poorly addressed communications and communications to a deceased individual, was what concerned the public the most this year, marginally exceeding the frequency of appeals – the leading factor for complaint in 2009. All in all, complaints concerning the use of charity data ('poor' data and data protection), amounted to over a third (35%) of all direct mail complaints.

The tone of appeals featured more strongly this year, accounting for 20% of direct mail complaints and the third most frequent cause for complaint.



# IN FOCUS: TELEPHONE FUNDRAISING

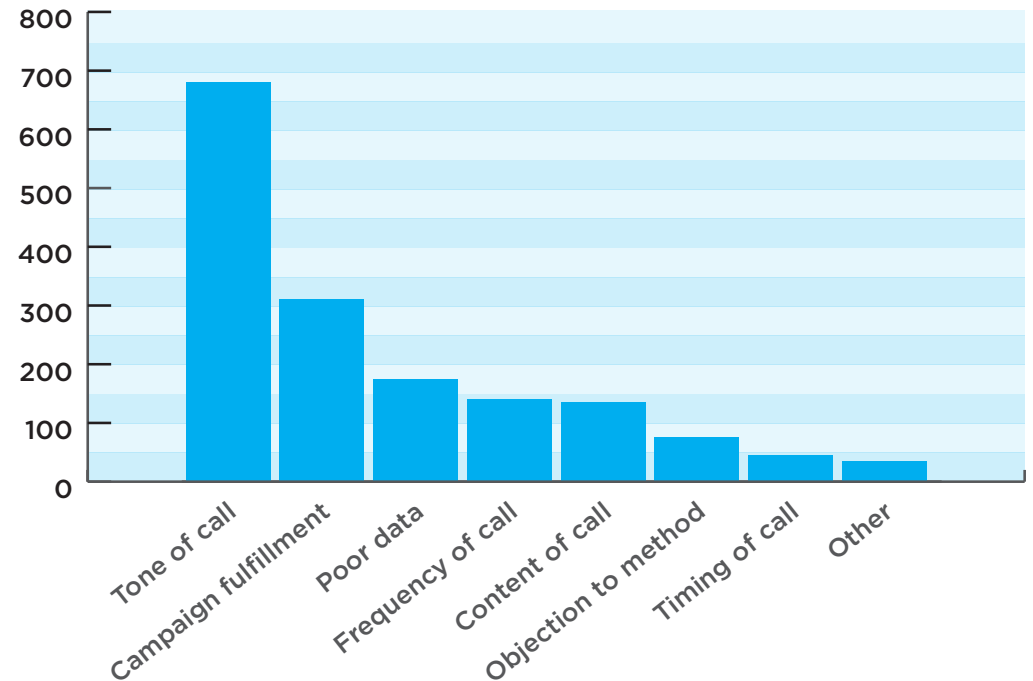


©Erskine Hospital Ltd. Member since January 2007

**FRSB members have invested considerably in telephone fundraising in 2010 with more than 11 million contacts made (up from 4.7 million in 2009). 2,840 complaints were recorded by members and details were given about 56% of those complaints.**

Continuing the trend from last year, the tone of calls is again the most common reason for making a complaint about telephone fundraising, accounting for 42% of complaints. Similarly to direct mail, poor data remains a leading cause for concern.

The content and frequency of calls as well as campaign fulfilment all receive similar levels of complaints.



# IN FOCUS: DATA PROTECTION

**In 2010, 1,200 data protection complaints were received by FRSB members. The large majority of these complaints related to direct mail (46%), email (29%) and telephone fundraising (23%).**

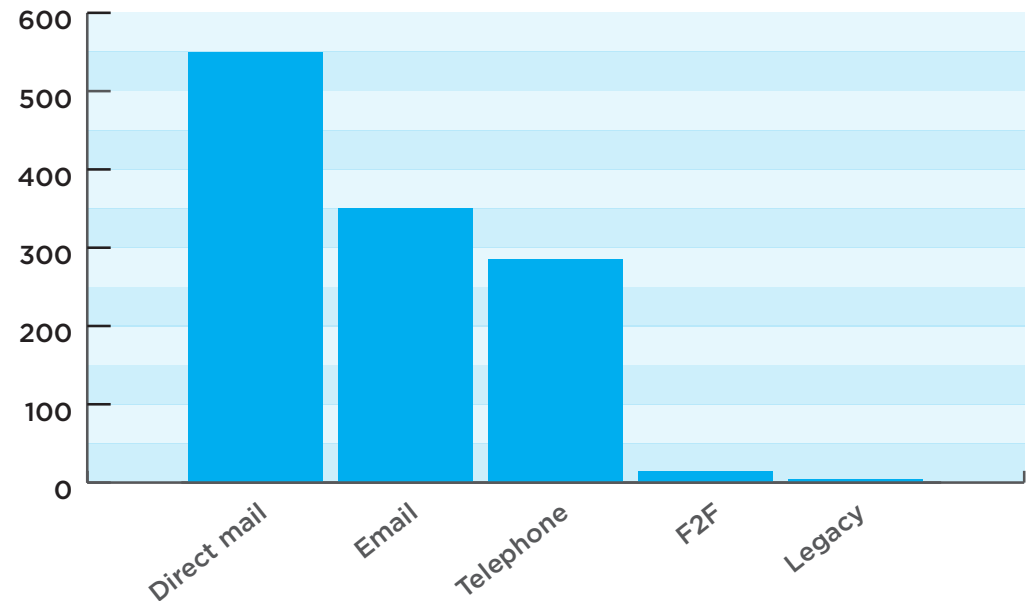
Owing to high volumes of direct mail activity it is perhaps unsurprising that this form of fundraising attracts the most data protection complaints. However, what may be surprising is that email is the second most complained about form of fundraising when it comes to data protection. In fact, data protection complaints constitute more than three quarters (76%) of all email complaints.

In the past, consumers had been relatively open in sharing their email addresses with companies and charities alike. But this complaint analysis suggests that charity supporters are more concerned about the use of their email and it is an important issue for charities and suppliers alike to consider.

©National Deaf Children's Society.  
Member since January 2007.

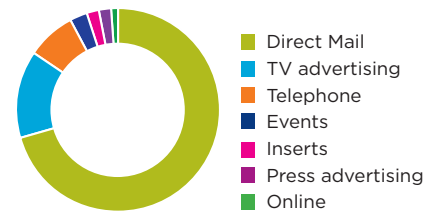


Methods of fundraising that receive the most data protection complaints:



# FUNDRAISING COMPLAINTS REPORT: LEGACY FUNDRAISING

**Legacy fundraising is often considered a particularly sensitive area. And yet, for many organisations, it is the largest single source of voluntary income and therefore of major importance. Bearing in mind that the whole membership has recorded a total of 515 legacy complaints, the FRSB feels that this reflects the sensitive and professional approach that charities and suppliers are taking to legacy fundraising. The fundraising methods that attract most legacy fundraising complaints are:**



“The use of the telephone attracts a higher proportion of complaints than other forms of legacy marketing, which is not surprising; perhaps charities should reconsider the use of such an intrusive form of communication to solicit legacies.”

David Brann, Fundraising and Communications Director  
Royal National Lifeboat Institution

Legacy fundraising is delivered across a wide variety of media. During 2010, most legacy asks were made through TV, press advertising and direct mail. Only 2 complaints were recorded as a result of the press advertising, but 62 complaints concerned TV advertising. Direct mail attracted most complaints at 414. However the proportion of complaints to volume in direct mail is reflective of the overarching picture across fundraising at a low level of 0.009%.

In addition to legacy fundraising complaints, the FRSB also asked members to report complaints concerning legacy administration. 38 complaints were recorded concerning 18,910 legacies – a complaint rate of 0.2%. While this area often sits apart from legacy fundraising in many charities, it is interesting to note that the complaint rate is higher and – to the general public – the differentiation between the two is not necessarily widely understood. Legacy administration complaints are not included in the 515 fundraising complaints tally.

“In many charities legacy administration is not managed by the fundraising department; although this does not necessarily mean that the usual standards of supporter care may not be applied, perhaps executors, solicitors and the families of legators are not always seen as supporters or even prospects? They are important stakeholders, who need to be treated respectfully. If charities are considered greedy and grasping, it is likely that their brands will suffer and their future legacy income could be adversely affected. The time following death can be a very emotional time for everyone concerned; a thoughtful and sensitive approach from the benefiting charity can enhance their reputation and even lead to further legacies in due course.”

David Brann, Fundraising and Communications Director  
Royal National Lifeboat Institution

# FUNDRAISING COMPLAINTS REPORT: COMPLAINTS ANALYSIS



By Professor Adrian Sargeant, Bristol Business School and Indiana University

**In April 2011, I analysed the fundraising complaints monitored by the Fundraising Standards Board (FRSB) in both 2009 and 2010, looking to see whether the level of complaints had changed over the period and whether there were any significant ‘size’ effects, where larger charities (by voluntary income) might perform differently from smaller charities. It was also possible to examine whether there were any significant ‘cause’ effects, with certain categories of charitable activity performing better than others.**

As membership of the Fundraising Standards Board has grown substantively over the period 2009-10, it is clear that growth in complaints would not be a fair measure of the quality of UK fundraising. One would expect that as more charities join the scheme the volume of complaints would continue to rise quite naturally. I therefore calculated the percentage of each organisation’s solicitations (or ticket sales etc) that resulted in a complaint and took the average of this across all the organisations that participated. I also removed any outliers in the data to focus on the underlying rate of complaints. This differs from earlier sections where the complaint data is presented in aggregate.

My results for 2010 are reported in the table below and illustrate the typical volume of activity a charity can currently expect to undertake to give rise to one complaint:

Voluntary income	Measurement Unit	Number Necessary To Generate One Complaint
Street - Face To Face	Successful Sign-ups	565
Doorstep Face To Face	Solicitations	1,282
Telephone fundraising	Solicitations	1,389
Direct Mail	Solicitations	2,439
Outdoor Events	Participants	2,703
Social Activities	Ticket Sales	4,348
E-Mail	Solicitations	9,090
Raffles	Ticket Sales	12,500
Lotteries	Ticket Sales	16,667
DRTV	Solicitations - Opportunities To See	25,000
Unaddressed Mail	Solicitations	100,000
Prize Draws	Ticket Sales	100,000
Radio	Solicitations - Opportunities To Hear	Over 100,000

# FUNDRAISING COMPLAINTS REPORT: COMPLAINTS ANALYSIS cont



The most obvious conclusion to draw from this data is that there is little cause for concern over the quality of fundraising in the United Kingdom, at least in respect of the fundraising undertaken by members of the FRSB. Even those fundraising techniques attracting the highest level of complaint typically require 1000 or more solicitations to attract a single complaint.

While techniques such as doorstep face-to-face fundraising and outbound telemarketing are often felt to be unpopular forms of fundraising with the public I find no evidence of an excessively high level of complaints about either media. Even in the case of direct mail, which also attracts a disproportionate amount of criticism, particularly from politicians and the sector press, I find that only one complaint is received for every 2500 solicitations. While one has again to express the caveat that these figures relate only to members of the FRSB they are nevertheless impressive.

The fundraising medium with the highest overall level of complaint was street based face-to-face fundraising, with one complaint being generated for every 565 successful sign-ups. However this headline figure is misleading since it is based on sign-ups rather than solicitations which is the case for the majority of the other media examined. As a consequence the percentage of complaints appears much higher. Since in reality it is likely that an absolute minimum of 20 people will be approached to achieve one sign-up, a comparable measure would be likely to be of the order of one complaint per 12000 solicitations, a figure comparing very favourably to that of other media. Thus, while the medium often attracts negative comment in the press I find no evidence of the high degree of dissatisfaction that some journalists would have us believe is the case.

It was interesting to note that many of the most complained about fundraising media are also the most effective, delivering a higher ROI than would normally be achieved through the least complained about media such as prize draws or radio advertising.

Techniques such as doorstep face-to-face fundraising are employed to recruit individuals in to regular (monthly) support of an organisation and the lifetime values of these supporters can be 400-700% higher than donors recruited into cash giving (i.e sending occasional cheques or buying raffle tickets). It is perhaps a fair exchange that substantially larger sums be raised for good causes at the 'cost' of a small percentage point increase in the incidence of complaint.

There were very few differences in performance by year, size of organisation or category of cause. The percentage of direct mail resulting in a complaint was significantly higher in 2010, while the percentage of 'opportunities to see' direct response television ads that generated a complaint was significantly lower. It would also appear that larger charities generate a higher percentage of complaints with their raffle and outdoor activity than do smaller organisations. In all cases, while the differences in performance are statistically significant, the differences in performance I refer to are small.

The quality of fundraising is thus pretty uniform across the membership of the FRSB and indeed fairly uniform across the spectrum of fundraising media I examined. Most media would appear to generate one complaint for every 1,000-10,000 solicitations. While as a sector we could doubtless do better, this seems a very good base from which to start. Is there a 'problem' with the quality of our professional practice in any of these media? The data suggests not, but we won't know for sure until all those organisations actively involved in fundraising from the public volunteer to join the scheme, abide by its standards and open their complaint data to scrutiny.

**“There is little cause for concern over the quality of fundraising in the United Kingdom”**

# FUNDRAISING COMPLAINTS REPORT: ESCALATED COMPLAINTS



©Kidney Research UK. Member since January 2007

**During the course of 2010, there was a significant increase in the number of people contacting the FRSB at the forefront of the complaints process. This is likely due to growth in awareness of the FRSB through a larger and increasingly active membership. Complainants are referred back to the charity concerned initially and informed about how the FRSB's formal 3 Stage process works.**

Although the number of Stage 1 complaints reported by our members was 61% higher than the previous year, only 12 (down from 19 in 2009) were escalated to Stage 2 requiring the formal intervention of and proposed resolution by the FRSB. This suggests that more and more members are handling complaints well and are able to successfully resolve these issues themselves. Many members consult the FRSB for advice in complaint handling along the way and we continue to encourage members to make use of this support service where needed.

Of the 12 Stage 2 complaints, the issues raised were varied, comprising:

- 2 complaints regarding Direct Mail
- 2 complaints regarding Telephone Fundraising
- 1 complaint regarding an Outdoor Event
- 1 complaint regarding prizes at a charity auction
- 1 complaint regarding clothes recycling bags
- 1 complaint regarding cash collections
- 1 complaint regarding a DRTV Campaign
- 1 complaint regarding a commercial participator relationship

Two of these complaints went to a full Stage 3 adjudication and one of the two was upheld. This was the first complaint to be upheld by the FRSB Board and the charity concerned is no longer an authorised member of the FRSB.

The adjudication concerned the carrying out of cash collections on the street without the use of licences. The case was reviewed against the Fundraising Promise and relevant legislation and best practice criteria. The charity is now under review by the FRSB in order that their fundraising practices are improved.

For more specific information about FRSB adjudications held during 2010, please go online to: [www.frsb.org.uk/english/advice-and-regulation/complaints/adjudications](http://www.frsb.org.uk/english/advice-and-regulation/complaints/adjudications).

# FUNDRAISING COMPLAINTS REPORT: NON-MEMBER COMPLAINTS

**The FRSB receives a significant number of complaints about the fundraising practices of charities who are not members of the FRSB scheme.**

In keeping with our mission to promote and ensure high standards in fundraising across the sector, the FRSB has a duty to investigate these complaints and issue appropriate guidance and support where necessary.

In 2010, we received a total of 34 complaints about non-members. The majority of non-member complaints this year were about bogus clothing collections, but other issues included:

- Cash Collections
- Direct Mail
- TV Appeals
- Concerns over whether money raised was going where it should

**The FRSB is committed to promoting high standards in fundraising across the sector. It is our duty to ensure that FRSB members as well as non members are fundraising in an accountable, transparent and compliant way.**

The FRSB assesses each and every complaint on a case by case basis. If we receive a complaint about a non-member, we measure it against the same standards as we would for a member complaint. This can include arranging a meeting with the charity concerned and recommending further actions if appropriate.

We are always on hand to give advice to both member and non-member organisations; during 2010, several charities have become members after initially contacting the FRSB for guidance and support.



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# FINANCIAL REPORT & THE FRSB BOARD

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2010

The Fundraising Standards Board is a Community Interest Company (CIC) limited by guarantee. The accounts for 2009-10 are summarised here and the full report and accounts report is available at: [www.frsb.org.uk](http://www.frsb.org.uk).

### LAY BOARD MEMBERS

Colin Lloyd - Chair  
John Wenger - Treasurer  
Richard Crossley  
Elaine Stallard  
Roy Thompson  
Zöe Willems

### SECTOR REPRESENTATIVES

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Regulatory Association  
Tim Hencher - Scottish Council for  
Voluntary Organisations  
Eileen Kinsman - Welsh Council for  
Voluntary Action  
Helen Parker - Which?  
Gill Raikes - Institute of Fundraising  
Lawrie Simanowitz - Charity Law  
Association

## FINANCIAL REPORT

Income	2010	2009
	£	£
Subscriptions	377,324	256,766
Grant receivable	39,048	306,415
	416,372	563,181
Administration expenses	(412,918)	(559,663)
<b>Operating surplus</b>	<b>3,454</b>	3,518
Interest receivable	-	2,830
<b>Surplus before tax</b>	<b>3,454</b>	6,348
Taxation	-	(594)
<b>Retained surplus for the year</b>	<b>3,454</b>	5,754

**Fundraising Standards Board**  
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For the public:  
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