

## Etherington Review recommends new regulator to rebuild trust in fundraising charities

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Following an unprecedented amount of press coverage criticising fundraising in the charity sector, charity fundraising methods have come under intense scrutiny. The Government commissioned Sir Stuart Etherington, chief executive of the National Council for Voluntary Organisations (the 'NCVO'), to conduct a review to assess the effectiveness of the current self-regulatory system. The review looked at regulation in other sectors, the needs of vulnerable people, and the needs of the sector itself. It also assessed the effectiveness of the current self-regulatory regime and considered the methods currently used to set standards of conduct.

The report was published on 21 September 2015 setting out the following recommendations:

- A new regulator, the Fundraising Regulator, should replace the FRSB. This body would regulate all fundraising by UK-based organisations and responsible for all complaints about fundraising and be accountable to parliament.
- The Fundraising Regulator should be financed by a levy on fundraising expenditure. This would be a graduated levy applying to organisations with an annual expenditure of £100,000 or more.
- The statutory regulators (such as the Charity Commission in England and Wales) should highlight the responsibility of charities to support the Fundraising Regulator and act as a 'backstop' where there are also concerns about breaches of trustees' duties.
- The Fundraising Regulator should be able to impose a wide array of sanctions including naming and shaming, cease and desist orders and compulsory training. The review does not propose that the Fundraising Regulator should be able to impose fines as this could harm donors and beneficiaries.
- The Fundraising Regulator, rather than the Institute of Fundraising, should oversee the Code of Practice to increase public confidence. This will be a single code incorporating the PFRA rulebook.
- Charities should continue to display a badge, similar to the current FRSB 'tick', to show their registration with the Fundraising Regulator.
- A 'Fundraising Preference Service' should be created where individuals can register if they no longer wish to be contacted for fundraising purposes.
- The Institute of Fundraising and the PFRA should merge and focus on encouraging good practice and supporting fundraisers.

The response to the report has been positive with the Institute of Fundraising, PFRA, Charity Commission and major charities welcoming the recommendations. Whilst supporting the report's overall conclusion that self-regulation in its current form is not working, the FRSB has disputed its closure arguing that a revamped and properly resourced FRSB would be the most cost-effective way of developing better regulation of charity fundraising.

The Minister for Civil Society, Rob Wilson, has accepted all of the recommendations made by the Etherington Review including the introduction of a new Fundraising Regulator and the creation of a Fundraising Preference Service.

It is hoped that these new changes will rebuild public trust in charitable fundraising.

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