

Ethical/sustainable banking proposal – Faversham Town Council

What is ethical banking and why use one?

Ethical banking is a way of continuing to carefully manage finances, whilst making sure you are not unwittingly supporting unsavoury industries in the process.

It is not always obvious that where we store our money has consequences beyond our own saving potential; banks use our earnings to make themselves, and sometimes their customers, richer by investing in various industries. Unfortunately, this often means large amounts of money being funnelled into businesses operating in, for example, the tobacco, oil/fossil fuels, or arms industries.

Ethical banks are defined essentially by their refusal to invest in environmentally harmful or otherwise unethical industry. They are still a bank though, and many protected by the same legislation as the big banks. The difference is that you can be more certain that the finances are not supporting businesses you do not agree with.

Typically, an ethical bank will use its customers' money to invest instead in sectors like green energy, and in projects that benefit local communities. Other ethical banks are more focused on transparency and excellent customer service than reshaping investment practices but are still considered ethical.

What are the top ethical banks/building societies:

Triodos
Starling Bank
Ecology Building Society
Tide
Monzo
Nationwide Building Society

Benefits to Faversham Town Council:

Faversham Town Council declared a climate emergency in 2019 and set a target to become carbon neutral as a council by 2030. This target is realistic but it relies on a number of actions taken to make sure we meet that target. One of these is making sure that finances are banked, invested and spent in an ethical and sustainable way, using finance providers that meet this criteria.

Of course public money has to be protected, so it is important we use providers that offer that protection and that ease of access and ability to continue with day to day running of the council.

I propose that the Climate and Biodiversity Committee recommend that Faversham Town Council switch to an ethical bank and this recommendation goes to Policy and Finance.