JERSEY CHARITY COMMISSIONER

31 October 2025

Dear Mr Gorst,

Re: Acceptance of Cash Payments – Scrutiny Review

This letter is a response to your request for advice about issues arising for Jersey registered charities about their reliance (or otherwise) on the use of cash. This arose, I understand, from the legislature's Economic and International Affairs Scrutiny Panel's recent review into the acceptance of cash payments generally, and, in particular, its eighth recommendation, which regarded charities' transition to reliance upon digital payments.

I regret being a bit slow in making this response but the time has been put to use in enabling my office and me to seek to get views from a fair number of charities. We first selected a small cross-section of charities of differing kinds and sizes in order to seek a reasonable view of things, and we have followed this up in an informal manner with others with which we have had cause to being in touch. So this has for sure not been a scientific survey, so to speak, but I judge that we have been able to get a fair sense of how the issues are viewed now, and envisioned for the next period, wherein everyone seems to suppose the 'transition' will likely go in but one direction.

The feedback, in general, is not very surprising. While many charities, notably larger ones, well recognise the opportunities digital payment arrangements offer for improving the efficiency of collection of funds, they are also well aware that with new methods come, or could come, new problems and challenges. These range from practicalities such as the mechanics of a street collection by machine linked to a mobile telephone, or volunteer fundraisers' familiarity with requisite technology, to serious concerns about security and opportunities for fraud. The probable cost of change is also a pretty constant theme, covering not only cost of new equipment and systems, but also training and the like. There is among charities, I would say, a sense of inevitableness of change, not unaccompanied by an element of nervousness about how it will happen and affect how fundraising business is done. It is obvious that this mirrors concerns that can be observed among perhaps a good number of citizens. That nervousness, I sense, includes unsureness at how to donate in an unfamiliar or seemingly novel way. Maybe self-service supermarket check-outs are an apposite analogy.

The heart of the matter for policy, though, and I do not pretend it is a new point, is that while 'contactless' and other digital arrangements can or may significantly enhance fundraising in the round, through, for instance, online donations or spontaneous generosity in front of a

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Sum-Up machine, for those charities which can manage it, others that rely heavily on cash collections at events or in public spaces may experience a decline in donations if cash is no longer a viable or easy option for some, if not many, donors. We do not – yet, anyway - have quantitative evidence which might be able to turn this supposition from the subjunctive to the indicative but qualitative judgement to this effect seems to be the general view. Perhaps that is inevitable or even not so troubling in an age of transition but nonetheless a degree of duty to manage that 'transition' well must, it seems to me, continue to be a strong feature of public policy through its actively seeking to keep all kinds of payment options open for use. That is how I think things should be for now even if one could suppose something different a decade or so hence.

I say this with particular regard to one of my specific statutory functions as Commissioner, which is to seek to encourage all forms of charitable giving. It is important not to end up discouraging that, whether by commission or, worse, omission.

The three key areas for consideration and reflection would seem to be:

- **Costs and Infrastructure**: transitioning to digital systems requires investment in technology, and that invariably requires nous and drive – as well as knowledge and confidence - on the part of people in charge of organisations. Charities inevitably sit on this curve in different places, just like any other businesses save, often, for their reliance on voluntary labour. I have observed one long established charity, traditionally reliant on donations in a public space, handle this very well mainly, it seems, because someone new came in who was savvy in the matter and able to carry others with him towards modernisation. I believe the outcome appears to have been quite an 'uptick' in the quantum of donations. I have seen another, traditionally heavily reliant on street collections by volunteers, some way from that state. I do not know at this point whether it is therefore perhaps losing impulse donations, supportive passers-by nonetheless wanting coins or banknotes to hand. (I aim to try to find out in due course.) I would add that for a small organisation, keen to be frugal as to administrative costs, the cost of digital payments systems itself may not be inconsiderable, both as to device purchase and set-up, and recurrent charges or commissions on electronic payments

- **Fraud and Security**: while it could be said that digital payment systems have the potential to reduce traditional, known, risks associated with the handling of cash, they also introduce new vulnerabilities, possibly serious. These include cyber security and data protection issues. As you may be aware, there has been a recent trial at the Royal Court of a case where, unbeknown to managers, a charity employee had engaged in fraudulent activity via an online banking system . There was a similar case in England reported recently, a significant fraud using a Sum-up machine thereby being perpetrated on the RNLI, one of the largest and seemingly most competent fundraiser of all, the which everyone might have expected to have controls in place to prevent such a happening before it had begun. What has been revealed is the relative ease with which seemingly robust financial controls could be outswerved by a wrongdoer, discovery occurring but well after the event. Small charities contemplating digital routes to fundraising need to be alert to such things and I am sure it is exactly this sort of thing that would contribute to the general sense of nervousness I touched on above.

- **Access to Banking**: some charities continue to face difficulties accessing 'high street' banking services. While these may not be insuperable they certainly have the capacity to vex. There is a range of reasons, notably the difficulty charities face in running requisite multiple signature arrangements when nudged or pushed towards online services and also, one suspects, because banks these days seem not much to welcome cash deposits at the counter, for the which it may be felt that charities are likely principal generators. Indeed, tellers, it seems, no longer count out banknotes themselves but rely on machines and may therefore be losing the art of counting them in, too. I have worked with local banks to seek to address the issue of charities' access to their services and have circulated guidance to charities [available at Banking advice for charities | Charity Commissioner.] This looks, however, to remain an ongoing concern that will require further attention as digital payment systems become even more prevalent

Who or which is potentially the most affected among charities by the observed transition? Four broad categories come to mind:

- small, volunteer-led charities with limited administrative capacity
- charities whose beneficiaries are likely to be more cash-dependent than others
- charities supporting those of riper years or persons with limited digital access or literacy
- charities that rely on 'traditional' fundraising methods such as the bucket in the high street
- charities significantly dependent on impulse donations in public places

One should add that it is donors, too, who are potentially affected through being unable readily to donate and who may therefore feel obliged to pass by on the other side

What might best be done, or left undone, to assist or support charities facing some obviously tricky realities? The following seem to me to be the most germane that the ministry could choose to seek to pursue:

- actively avoid denigrating the continued use of physical coinage or banknotes in the name of 'progress', or abetting the same
- specific measures to help charities in their adoption of digital payment systems (and the same goes for other businesses, too).
- ditto to require banks, through the regulatory guidance to which they are subject, to continue positively to be accepting of coins and notes as part and parcel of normal business, with facilities in place to make it easy not difficult; and

- speaking up in encouraging the continued acceptance of cash donations where appropriate, to ensure inclusivity and donor choice

I realise that the above are essentially ‘soft’ approaches but perhaps that is all that is, or is mostly, needed to address the ‘transition’ that we perceive day by day.

There are two other things which this review has minded me to seek to do. That is to aim to develop, drawing on others’ expertise in these spheres, some best practice guidance on digital fundraising, financial management, and cybersecurity, and the like. The Fundraising Regulator for England & Wales, with whose office we have had some contact, is one body to which I am sure we could turn for help and advice on such a project. The second is to put in hand seeking more specific reportage on the issue in charities’ annual returns. This must not be burdensome but it is probably the best and easiest way to get a more accurate picture of the extent to which we are dealing with a big or a small problem.

I would of course be pleased to discuss these matters further with you and your officials to get to agree on what would be best or most appropriate to do to help charities face and manage change.

Yours truly,

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