

//Banks Breakdown//



Unsure which bank to pick? Here's some info to help you choose!

BAD BANKS

Barclays

- Barclays have a poor human rights record, having provided US\$ 8.69 billion to businesses actively involved in Israeli settlements.
- It has also provided loans to the companies behind the Dakota Access Pipeline, which pumps oil through Native American land, as well as funding other similar pipelines such as the Wink to Webster pipeline.
- It is Europe's largest fossil fuel bank (7th globally), having financed a shocking US\$144.897 billion into fossil fuels since the Paris climate agreement.

HSBC

- HSBC has a poor human rights record, being a major shareholder in companies supporting Israeli military weapons and equipment, providing US\$ 8.72 billion to businesses actively involved in Israeli settlements.
- Its environmental impact is particularly concerning - since the Paris Climate Agreement HSBC has financed US\$110.745 billion into fossil fuels, the 13th largest fossil fuel bank globally.
- It also provides banking services for the mining company Rio Tinto, the world's second largest mining company, who were involved in destruction of Aboriginal sacred sites in Australia



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Santander

- Santander has financed US\$34.036 billion into fossil fuels since the Paris Climate agreement

Natwest Group and the Royal Bank of Scotland

- Natwest Group has financed US\$13.393 billion into fossil fuels since the Paris Climate agreement, as the 46th largest fossil fuel bank globally
- They have also invested in the Dakota Access Pipeline, which pumps oil through Native American land.

Lloyds & Group (including Halifax and TSB)

- Lloyds & Group similarly has a concerning environmental impact have financed US\$11.979 billion into fossil fuels since the Paris climate agreement
- They made \$2,986 million available to nuclear weapon producing companies from January 2014 to October 2017, and continues to lend to companies selling arms to Israel, fuelling the growing humanitarian crisis in the Middle East

GOOD BANKS

Nationwide

- Nationwide is our top recommendation for students looking to switch to an ethical bank account. Nationwide is a building society not a bank so is owned by its members not shareholders. This means that they are accountable and transparent about their investments.
- Nationwide send zero waste to landfill, all their energy used comes from renewable sources, and their operations have been carbon neutral since April 2020. They declare that they won't invest members' money in fossil fuels and instead are invested in 'building a better society'.



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- Nationwide donate at least 1% of pre-tax profits to charitable causes and have a charitable foundation which supports affordable housing and has donated £40 million to over 3,000 causes. In terms of usability, they have physical branches so you can get help in person, as well as internet banking so you can manage your money through an app.
- Find out more here: <https://www.nationwide.co.uk/about-us/>

Drawbacks

- To open a student bank account with Nationwide you have to apply within 2 months of starting your course. However, their FlexDirect current account is a great alternative.

Triodos

- Triodos were named UK's most sustainable bank by Capital Finance International and their mission is "to help create a society that protects and promotes quality of life and human dignity for all". To achieve this, they declare that "we won't lend to any organisation that puts profit before people and planet". Triodos have a wealth of positive investment programmes, and have so far invested £8.2 billion in companies supporting people, culture, and the planet.
- In 2020, Triodos financed renewable energy projects that saved emissions equivalent to over 5.7 billion kilometres travelled by car. The bank are completely transparent about where their money goes - they produce a list each year of all the loans they have made.
- In 2020, 55% of loans were to non-profit organisations and social service such as housing, fair trade businesses and healthcare. 31% of loans were environmental, to renewable energy projects, organic agriculture and environmental technology. 14% of loans supported culture, which includes education, artists and religious groups.
- Find out more about why Triodos is a good choice here: <https://www.triodos.co.uk/about-us>



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Drawbacks

- Triodos do not currently offer a student account. Their current account costs £3 a month - "the equivalent of a fair-trade coffee. Most banks fund free accounts with hidden fees and high overdraft charges – often with financially vulnerable customers footing the bill. We don't think that's right or fair. Our monthly fee goes towards the cost of running your account and is shared equally by all current account customers, with no hidden fees. Now that's a fair trade." - Triodos

Starling

- Starling is an app based bank, which makes it very easy to set up and securely send payments - unlike with most banks you won't need a separate device. The app is easy to use, with a 'goals' feature to help you save money and a spending tracker to help you budget effectively. A Starling account is also useful when travelling abroad as international payments are fee-free and you can exchange currency at the exchange rate (many banks charge higher rates than this).
- Being an online bank with no physical branches means Starling has a limited carbon footprint. Starling operate as a paperless company, using renewable energy and carbon-neutral servers to help them achieve their vision of becoming a net zero company. They have no comprehensive ethical policy but do have a clear aim to reduce carbon emissions by $\frac{1}{3}$ by 2030 and in 2021 committed to offset their carbon emissions every year.
- They don't lend to companies involved in fossil fuel extraction and promise to be transparent about where they do lend money. They say "we don't provide banking services to or invest in organisations that use excessive power to systemically promote public behaviour that is harmful to individuals, groups, or to the whole of society in order to maximise their profits. This may include, for example, arms manufacturers, and tobacco companies"
- Starling was the first UK bank to be founded by a woman and is to this day still privately owned by its founder and private investors.
- Read more here: <https://www.starlingbank.com/about/sustainable-banking/>

Drawbacks

- Starling have no physical branches, and do not offer a specific student account.



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Cooperative Bank

- Coop was the first UK high street bank to introduce an ethical policy and have a long standing reputation for being an ethical provider. They have been carbon neutral for over 10 years, send zero waste to landfill, and say that “With sustainability rooted in our foundations, we work to create a long-term, sustainable business that makes a positive difference to our communities”.
- During the pandemic Co-op donated £100,000 to local community projects and are driven by positive investment to support people. Furthermore, they have physical branches so you can get help in person.
- Find out more about Co-op Bank here: <https://www.co-operativebank.co.uk/values-and-ethics/>

Drawbacks

- In 2013 Co-op bank switched ownership and is now majority owned by private US hedge funds. These hedge funds have less solid ethical policies, and are involved in investing in nuclear weapons, palm oil plantations, factory farming, and companies with poor animal rights standards.
- It is therefore debatable how ethical Co-op Bank actually is.

Charity Bank

- Charity bank is completely owned by charities, trusts, and social organisations. It aims to prioritise people over profit, and was founded to enable people to invest their money ethically.
- Since being founded Charity Bank have given almost £400 million in loans to charities and social enterprises with the greatest of these investments having been made in community, education, and environment
- Find out more here: <https://www.charitybank.org/>

Drawbacks

- Charity Bank don't offer a current account. However, if you have savings this is a great place to look into investing them.



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'ISH' BANKS

Monzo

- Monzo is similar to Starling in that it's an app based bank and is useful for travelling abroad as they don't charge fees for international spending and don't inflate currency exchange rates like many banks do.
- They offer a prepaid card with free cash withdrawals which can be used anywhere that accepts mastercard.
- Being an online bank gives Monzo a low carbon footprint - they use Amazon's carbon neutral web servers and send out cards in fully recyclable packaging.

Drawbacks

- Monzo have little information available about its investments and policies. They admit that as a relatively small company they have been unable to put together a comprehensive ethical policy, so have no greenhouse gas reports or targets for reducing emissions.
- Despite stating they are transparent about where they invest, this information is hard to find. Furthermore, the use of third party banks for their savings accounts makes it difficult to trace where savings money is invested.
- However, compared to banks investing in arms trade, nuclear projects, fossil fuels and deforestation, Monzo is quite an ethical option.



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