

**6 September 2021**

Richard Nuttall  
Relationship Director – HSBC UK plc

By email

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Dear Richard,

**Re: Introduction of banking charges for charity customers**

Given the long association the HSBC (and its predecessor the Midland Bank) has had with the Methodist Church, I am writing to express my concern about the introduction of banking charges for charity customers from 1<sup>st</sup> November. For a bank that managed to make a profit of £2bn from its UK operation during the first half of this year, it is astonishing that it now seeks to target the charity sector to enrich itself further. I would be grateful if you could forward my concerns to the appropriate person in your organisation.

Despite repeated feedback from our treasurers that the offering from HSBC does not meet the modern needs of a charity (for example, a simple dual authority process), it does not appear that there are any enhancements in the product offering. The churches will simply be paying more and getting less (given your ongoing bank closure programme).

As you are well aware, the level of service that the bank has provided to its very long-standing Methodist customers over the last year or so has fallen significantly short of our expectations. The stream of complaints I have passed to you about how local treasurers have been left to flounder when trying to meet the requirements of your “Safeguard” process is testament to this. In particular, the way Methodist accounts have been frozen and threatened with closure because of the shortcomings in your processes is incredible. Whilst I am grateful for your personal intervention on this matter and am now content with the guidance document that has been produced, it is another example of the lack of priority that HSBC seems to give to its Methodist customers.

We do not know how many of our churches and organisations still bank with HSBC, but on a conservative estimate of 2,000, that means you will be charging £120k in fixed monthly fees to our churches. When added to the variable charges that are also being imposed this is a significant drain on already hard-pressed volunteers trying to rebuild following the pandemic. Given that the charity sector has played such a vital role in supporting the country through the pandemic, and Methodist churches have played a key role in their local communities (such as running foodbanks), the timing of your announcement is extremely insensitive. Many of our treasurers will reach the conclusion that HSBC simply no longer wants their custom.

The changes to accounts and fees that the bank have announced do not directly impact on the banking arrangements for the Connexional Funds. However, should the Methodist Church look to establish preferred banking arrangements for its churches with another bank, we would also have to review the arrangements for Connexional Funds at the same time.



I hope the bank will reconsider the fees that it is seeking to impose on the Methodist Church and instead work on a programme of enhancing the poor service that it has been providing.

Your sincerely,

**Matt Tattersall**  
**Director of Finance & Resources**