

Trust in Charities: Presentation for the Charities SORP Committee

1. Introduction

Both the Scottish Charity Regulator (OSCR) and the Charity Commission for England and Wales (CCEW) undertake market research into what inspires trust in charities. This is very important, as understanding these drivers is key to understanding how best to approach the work of charity regulation. In this very brief paper, I outline some of the key issues that we will bring to life during our short presentation. The hope is to stimulate some good discussion around the key themes¹.

2. A summary of findings from OSCR's Charity and Public surveys

The fieldwork for the OSCR research took place between February and March 2020, finishing just before lockdown began. The insights were valuable and, enhanced by the later surveys we did with respect to the impact of COVID-19, give good insights for OSCR, for charities and for the public that can contribute to a more capable and better supported sector. Here, I am going to draw out some of the key findings re trust.

2.1 Trust matters

The positive headline is that trust and confidence in charities had increased significantly, from an average score of 6.14 out of 10 in 2018 to 7.02 out of 10 in 2020. More people said their trust had increased or stayed the same compared to two years ago (68% in 2020 compared to 53% in 2018). For those trusting charities less, negative press is still the main driver.

There were higher trust scores for charities working in Scotland (7.20 out of 10), working locally (7.09 out of 10) and working only with volunteers only (7.18 out of 10). In contrast, there were lower scores for charities who fundraise on the street (5.08 out of 10) and who advertise on TV (5.81 out of 10). While there are real complexities here (for instance, many of the charities who do fundraise on the street may individually inspire high levels of trust), it does seem that individuals feeling a close connection to the impact of a charity's work is valuable for building trust and shouldn't be taken for granted.

Interest and engagement with charities is just as strong as ever with 93% of the Scottish population donating money, goods or time, so trust is important. It is the second most common reason for donating (44%) after the importance of a charity's cause (56%).

Assuring the public of the honesty and integrity of charities was one of the main policy drivers for charity regulation in Scotland and **we are committed to improving trust and confidence in the sector**. But over the last 14 years the sector has changed, and so has the public understanding and expectations of charities and good causes. Public views are being continually shaped by what we see online, in the news and on their friends and family's social media feeds. To regulate effectively,

¹ I apologise for the fact that the paper concentrates, in the main, on the Scottish surveys. That is because of the author completing it at the last minute, with no time for CCEW input. However, you will see the CCEW slides in the presentation and there will be plenty of time to quiz them at the meeting.

we need to know what the public and charities expect of OSCR so we can shape our activities and deliver that assurance.

2.2 How does regulation help?

We know there's a link between trust and regulation with higher scores amongst those who are personally involved with charities (7.20 out of 10) and aware of OSCR (7.32 out of 10). We've also found good evidence for transparency as a driver for trustworthiness, with 35% mentioning it without prompting. This was confirmed, when prompted, with 58% saying that knowing how much of a donation goes to the cause and 55% saying seeing evidence of what the charity has achieved would be most likely to make them feel a charity was trustworthy. These are familiar themes, so it's reassuring to see them feature so clearly.

While there is strong evidence for transparency as a driver of trustworthiness, there are different ways that can be achieved. This matters when trying to reach different parts of the population.

Overall, there is fairly good awareness of charity regulation in Scotland, with 53% of the public believing there is some kind of regulation and only 3% believing there's none (43% don't know). Awareness of OSCR is lower (24%), but when told about us, 92% say our role as important.

When we asked what functions would be important for OSCR to maintain, protect and enhance trustworthiness, 57% of the public said ensuring charities stay within the law, followed by checking and monitoring charities' accounts (49%).

2.3 What do Scottish charities think?

Our relationship with the public is important, but it is only part of the picture. Our relationship with charities is crucial to our credibility as a regulator. We have a much better chance of succeeding if we understand charities, the issues they're facing and the support they need to make an impact.

Charities' view of what is important to build trustworthiness was similar to the public, but with greater emphasis on checking/monitoring charity accounts and making sure charities are run for the public benefit.

3. The Charity Commission for England and Wales

CCEW also carries out surveys. There are differences in the surveys and therefore caution has to be used when comparing them. However, there are similarities in the findings.

Firstly, as in Scotland, the trust figure has gone up, with the mean rising from 5.5 in 2018, to 6.2 in 2020.

Many of the emerging themes are also similar. When summarising what might be important for the committee, CCEW says that

- Trust in charities and transparency and accountability go hand in hand.
- What drives trust for the public is knowing if charity money has been well spent, what impact it has had and whether the charity is being transparent about these things.
- While numbers are important in terms of driving trust, the narrative that explains them is equally important

4. Conclusion

I hope this has served as a good introduction to some of these themes, and we look forward to talking them through in the Committee session.

Dr. Judith Turbyne, November 2020