

Empowering consumers to influence the impact their money has on people and the environment, the Fair Bank Guide promotes sustainability and transparency in the banking sector since 2009.



Image source: Eerlijke Bankwijzer

shareaction.org
info@shareaction.org
+44 (0)20 7403 7800

ShareAction»

CASE STUDY

Fair Bank Guide has created a race to the top in sustainability performance among Dutch banks

Overview

Set up in 2009, the [Dutch Fair Bank Guide](#) ('Eerlijke Bankwijzer') is an initiative set up by six large civil society organisations from the Netherlands: [Oxfam Novib](#), [Amnesty International](#), Dutch labour union [FNV](#), [Friends of the Earth Netherlands](#), [Dutch Society for the Protection of Animals](#) and [Pax for Peace](#). The initiative publicly ranks and compares banks in a consumer friendly way. By identifying best practice the rankings drive change through creating a race to the top in sustainable investment practices. It also enables consumers to put pressure on their retail banks to adopt more responsible investment policies.

The Fair Bank Guide has a few underlying beliefs: banks play a key role in societal development. The capital they provide can have a huge influence, as it can be used for a range of activities that can have a positive or negative impact on people and the environment. Banks hence have through their financial decision-making enormous power to influence corporate behaviour. Based on these, the Fair Bank Guide makes explicit that they "expect more" of banks than mere compliance with the laws and regulations in the countries where they operate." It expects them to act in adherence to "all widely supported (inter)national declarations, treaties, standards, guidelines and other initiatives" relating to sustainability.

Another belief is that banks should listen to their customers: if the customer is able to find relevant information about the investment choices of their bank, they can have an influence, e.g. through changing banks as a last resort. It also conveys the clear message that banks handle the money of people who have a right to know and express a view on how their money is being invested.

Campaigning approach

The Fair Bank Guide aims to channel banks' influence on societal development by providing consumers with information on the sustainability policies and practices of the banks who manage their money. It provides a web-based tool that scores banks in several thematic areas, ranging from climate change, human rights, animal welfare to taxes and corruption, and makes the results publicly available. Based on this, the Fair Bank Guide provides a tool for bank customers through which they can directly "compliment" their bank – or "complain" if the bank has scored poorly in an area. A further option is to find out how to switch banks to a more sustainable option.

As well as stimulating competition through consumer action, the published data and scores lead to engagement with those banks that are keen to discuss the Fair Bank Guide's conclusions and recommendations. The Fair Bank Guide also provides feedback on draft policies and organizes meetings for a number of banks to be able to discuss a specific topic, for example engaging corporations on human rights abuses.

Through this the Fair Bank Guide aims to create a 'race to the top' between mainstream financial institutions (not just sustainable banks) and encourage competition in corporate social responsibility, that will raise economic, social and environmental standards through the banking sector's investment policies. By comparing these policies annually, the Fair Bank Guide assesses the extent to which a variety of national and international standards have been incorporated that will result in a score for the bank.

The Fair Bank Guide conducts thematic case studies, for example on investments in industries such as coal and companies buying land, to check if banks' policies are in line with international standards, best practices and the banks' own policies. In recognising that scores may be the outcome of either the lack of an effective policy or the inadequate implementation of existing policies, banks are sent the methodology before the scoring and are given the opportunity to respond at various stages in the process leading up to the publication of the case study.

Fair Bank Guide

The Fair Bank Guide investigates how banks address the following themes in their investment and lending practices:

- Climate change
- Human rights
- Labour rights
- Arms
- Health
- Nature
- Animal welfare
- Taxes and corruption
- Transparency and accountability
- Bonuses

The guide also looks at the policies banks have in relation to these sectors:

- Arms
- Financial sector
- Fisheries
- Food
- Forestry
- Housing and real estate
- Manufacturing industry
- Mining
- Oil and gas

Outcome & next steps

The Fair Bank Guide has developed a fantastic reach to bank customers over the years: many customers have complimented their banks on good practice but, more importantly, more than 17,000 complaints were sent to various banks via the Fair Bank Guide website between January 2009 and November 2014. An even greater number of people – more than 31,000 – clicked to find out how to switch banks, however it is not possible to collect data on how many actually changed banks.

In addition to this, the national media helped exert pressure on the banks: it published several of the Fair Bank Guide's findings, such as stories on transparency and investments in, for example, arms and nuclear weapons. In the fourteen policy updates published between 2009 until 2015, the Fair Bank Guide has recorded a total of 165 measurable incidences of improved policies, demonstrating the significant impact public pressure around investment policies has had.

Although there has been a general trend towards banks improving their corporate social responsibility policies there is still a long way to go, with many banks improving on areas such as human rights and falling short on others such as climate and taxation. However, the success to date of the Dutch Fair Bank Guide in encouraging banks to consider the impact of their investments on people and the environment, has led to coalitions of civil society organisations in several other countries launching under the umbrella of the Fair Finance Guide International network. To date, Fair Finance Guide exists in Japan, Sweden, Brazil, Belgium, Indonesia and France, with more to join soon. Additionally, a Fair Insurance Guide was launched in 2013.

Investing in sustainability

Following dialogue with the Fair Bank Guide on investments in sustainable energy, the monitored banks published a joint climate declaration in 2009, calling on governments to encourage investments in sustainable energy. In 2010 and 2011 Dutch banks' investment in sustainable energy increased by 55% while fossil fuel investments have decreased.

“

We must be honest: as far as sustainability is concerned the insurance sector is still in an embryonic phase. The Association is therefore happy that consumers, scientists, politicians and NGOs take a critical look at insurers, and also make concrete suggestions. Such as the six NGOs that have recently launched the Fair Insurance Guide. It keeps the sector on its toes.

- Association of Insurers,
November 2013

Learnings

The Fair Bank Guide's findings demonstrate that sustainable investment is something that many consumers take into account when choosing their financial services providers. Within 24 hours of being launched in 2013 over 11,000 people had visited the Fair Insurance Guide's first policy publication, with many also contacting their insurance provider through the website.

The Fair Bank Guide has not only sparked competition among the banks, it also resulted in increased engagement and collaboration within the sector. For example, following on from a case study on accountability and transparency in 2013, the Fair Bank Guide organised a meeting for shared learning, facilitated by the Finance Ministry, which was attended by 40 representatives from the banking industry, civil society organisations, academics and investors and led to a strong statement of intent on banks and their transparency practices.

By going beyond the policies that institutions publish and analysing the way in which they are implemented, the Fair Finance Guides have highlighted that there is often a significant difference between statements and actions. Despite this, almost all of the banks involved in the Fair Bank Guide have co-operated with the investigations and all of them have published sustainability policies. This demonstrates the effectiveness of the ranking model, as it stimulates public debate and competition to be perceived as performing well in corporate social responsibility.

To find out more

Visit the Fair Finance International Guide website [here](#) and find out how your organisation can join the coalition [here](#).

Visit the Dutch Fair Bank Guide website [here](#).

Read a report evaluating the impact of 5 years of the Dutch Fair Bank Guide [here](#).

To enable further exchange and skill sharing in campaigns like Fair Finance Guide, ShareAction is developing a European Network for civil society organisations. To find out more, don't hesitate to get in touch with ShareAction's European Outreach Officer, Friederike Hanisch, on friederike.hanisch@shareaction.org.

Fairshare Educational Foundation is a company limited by guarantee registered in England and Wales number 05013662 (registered address 16 Crucifix Lane, London, SE1 3JW) and a registered charity number 1117244, VAT registration number GB 211 1469 53.

ShareAction»