

Ethical finance: does Britain care?

44% of the British public are interested in finding out about the ethical credentials of the next financial product or service that they buy, according to new research released today.

The national online consumer survey, conducted by Ipsos MORI on behalf of non-profit research organisation EIRIS, explores post credit-crunch attitudes to ethical finance. The EIRIS survey finds that three-quarters of those interested in finding out more about the ethical credentials of a financial product or service said they are likely to take this into consideration when next buying a financial product or service.

Respondents surveyed felt that banks and financial institutions should prioritise current ethical concerns such as protecting human rights, tackling climate change, protecting the environment and investing in fair trade in their lending and investing activities, more so than avoiding 'sin' issues relating to the manufacturing of alcohol, tobacco and gambling which have traditionally been the focus of ethical investors.

Respondents were presented with a list of issues and asked 'to what extent do you think banks and financial institutions should prioritise the following issues when deciding who they will or will not lend money to or invest in on a scale of 1-10' (with 1 being low priority and 10 high priority). Issues emerging as the highest priority were protecting human rights (67% scoring 7 - 10), investing in fair trade (66%), protecting the environment (62%), avoiding arms manufacturers (61%) and tackling climate change (59%). A smaller proportion prioritised the avoidance of companies involved in the manufacturing of alcohol (22% scoring 7 - 10), tobacco (37%) and gambling (38%).

Key survey findings

Awareness

- 62% of those surveyed could not name or describe in detail any ethical financial products or services
- Awareness is low even among those that stated they were interested and likely to consider ethical credentials when next choosing a product or service; almost half (48%) of those in this sample could not name or describe in detail any ethical financial products or services.

Barriers

- The survey highlights a lack of knowledge as well as a lack of trust as key barriers to people purchasing ethical financial products and services
- 35% of respondents agree that they would not buy ethical financial products and services because they 'do not trust the claims of financial providers'
- 46% of respondents agree that 'there is not enough information available on how they make a visible difference in the world'
- 27% of respondents agree that they would not buy ethical financial products because 'there is no external verification of the ethical claims such products make'

Financial performance

- Only 15% of those surveyed agree that ethical products and services 'are less likely to perform as well as similar standard products'.

The survey is published as EIRIS launches www.YourEthicalMoney.org - the UK's first consumer website dedicated to green and ethical finance. EIRIS' new website aims to empower consumers to make green and ethical product choices that will help build a more sustainable financial future. It provides free, independent and unbiased information on all aspects of ethical finance.

Users can search the website for their bank or building society, as well as their insurance, credit card or mortgage provider, to find out how it measures up against a set of specially-developed green and ethical criteria. Users can also search for investment products, including ISAs and funds that match their green and ethical concerns; learn about how their pension scheme invests or find an ethical child trust fund. The site also features a section dedicated to student finance and guides on financial exclusion and greenwash in financial product marketing.

Mark Robertson, Communications and Development Manager at EIRIS said: 'Our survey provides firm evidence of growing interest in ethical finance, suggesting that the message that it is possible to both make money and make a difference when investing ethically is starting to get through to consumers. But levels of awareness, trust and confidence in ethical finance are low. The industry must respond with greater transparency and provide more information on how saving and investing can make a positive difference'.

'Last week, National Ethical Investment Week highlighted the growing number of green and ethical financial products which are available. EIRIS' new one-stop-shop consumer website will increase the visibility of ethical financial and provides consumers with all the tools and resources they need to choose ethical options as part of their financial planning' he continued.

A presentation featuring key findings from the survey can be downloaded [here](#).

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Notes to editors

1. The [National Online Consumer Survey](#) was conducted by Ipsos MORI on behalf of non-profit research organisation EIRIS, to gauge current interest in green and ethical finance among British consumers; explore post credit-crunch attitudes to ethical finance; and identify current barriers to investing. . A sample of 1,037 British adults aged between 16 and 64 years responded to the online survey, across England, Scotland and Wales. Fieldwork was conducted using an online method, and took place between 30th October 2nd November 2009. Data have been weighted to the known population of Great Britain.
2. www.YourEthicalMoney.org aims to empower consumers to make green and ethical product choices that will help build a more sustainable financial future. Developed by the EIRIS Foundation with funding from the Friends Provident Foundation, this innovative, independent and entirely free-to-use new site provides comprehensive resources addressing green and ethical concerns related to all major areas of finance including banking, investments, pensions, insurance and credit cards. Users can search for their bank or building society, as well as their insurance, credit card or mortgage provider, to find out how it measures up against a set of specially-developed green and ethical criteria. These criteria include issues like responsible lending and the treatment of customers, the environment and equal opportunities. Users can also search for investment products, including ISAs and funds that match their green and ethical concerns; learn about how their pension scheme invests or find an ethical child trust fund for their kids. The site features a section dedicated to student finance and guides on financial exclusion and greenwash in financial product marketing. It offers practical resources including 'Next Steps' guides and letter templates to consumers who want to give their finances an ethical makeover, as well as take-away resources on all the core areas covered by the site. From human rights to animal rights and nuclear power to project finance, this site shows the massive social and environmental impact and influence that the finance industry has on the world around us and the positive changes and contributions it can make to it too.
3. EIRIS is a leading global provider of independent research into the social, environmental governance and ethical performance of companies. EIRIS, a UK-based organisation with offices in the US and France together with its international research partners, has a wealth of experience in the field of responsible investment research. EIRIS provides comprehensive research on around 3,000 companies in Europe, North America and the Asia Pacific region. EIRIS is already retained by 100 institutional clients including pension and retail fund managers, banks, private client brokers, charities and religious institutions across Europe, North America, Australia and Asia. EIRIS has developed a comprehensive suite of products to help investors assess their portfolios and design investment strategies in response to the challenge of a carbon-constrained economy. For more information visit www.eiris.org or email: info@eiris.org.

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