Green and Ethical Finance

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Green really is the colour of money

You've had your fair trade coffee and recycled your morning newspaper. Now latest research from MINTEL shows that millions of Brits are going one step further and taking an ethical approach to their day to day banking.

In fact, one in six (16%) Brits took a company's environmental and ethical credentials into account when they were choosing where to bank. But the green financial movement doesn't stop there, as no less than three in ten (31%) adults - or some 15.2 million of us - will consider a bank's commitment to ethical causes, when next taking out a mortgage or opening a new account.

"Environmental and ethical issues are really starting to take hold of the banking world, with millions of people now seriously considering these causes before making financial decisions," comments Todd Davis, senior finance analyst at MINTEL.

"Although this is not a new development, the last couple of years have undoubtedly seen this trend gather momentum, and financial organisations will now be able to gain real competitive advantage by taking a genuinely ethical approach to banking," he adds.Lip service

But it is not all plain sailing for these financial instructions. There is still a lot of cynicism amongst the British population when it comes to the banking industries' green credentials, as two thirds of Brits (66%) think that it is just a PR stunt, when banks talk about just how ethical they are.

"Financial institutions are clearly not currently sending out a very convincing message. They will need to rethink some of their strategies if they are to make the most of their decision to commit to a pro-environmental business stance," comments Todd Davis. Which Ethics?

In the UK today, many financial companies focus their efforts on highlighting their own commitment to being environmentally friendly. But when it comes to ethical finances, Mintel's research shows that people are much more concerned about where banks are investing their money and less so about the bank's own green credentials.

Today, well over half (56%) of adults want to be sure that their financial provider does not invest in companies that use child labour. People also do not want their bank to indirectly invest in corrupt regimes (45%), the arms trade (44%) or companies that use animal testing (39%). By contrast, just one in four (24%) look for a bank's own carbon neutrality when choosing an ethical bank.