

## Direct Debit is winning option for TLC Lottery collection

A charitable organisation has cut administration costs, gained greater control of its finances and improved customer service levels, simply by changing the way its supporters pay. TLC Lottery has convinced almost a third of those who make regular donations to switch from standing orders to Direct Debit to make the most of the more efficient payment option.

The lottery, which was set up by three Birmingham-based charities\* as a means to raise extra funds, is now encouraging other not-for-profit organisations to make the change, too.

As with all charitable organisations, keeping running costs to a minimum is vital in ensuring maximum benefit can be gained from donations. But a review of TLC's structure showed some payment methods were taking up valuable time – and therefore adding to costs. This included those payments made by cheque, cash and standing order; and it was individuals paying by the latter method that were identified as most likely to switch initially, prompting the organisation to launch a campaign encouraging supporters to move from standing order to Direct Debit.

And almost a third of the 9,000 people asked to make the change did so immediately.

Colin Barrett, of TLC Lottery, said: "As a small team of only three, we were becoming increasingly stretched by the administrative demands of our existing payment options. Direct Debit has proved a far more efficient option for us, freeing up staff to progress more pertinent actions and it has also enabled us to provide supporters with better customer service.

"Direct Debit has also helped us to take far more control over our funding. Previously it could take an extended period of time before we became aware that payments had failed to land. But now, thanks to Direct Debit, we have almost immediate access to reports that highlight where payments have not gone through, enabling us to overcome any issues in a timely fashion."

TLC's effective campaign comprised several different threads, ranging from personal telephone calls to information contained in the organisation's newsletter, highlighting the benefits of paying by Direct Debit.

Michael Chambers, managing director of Bacs Payment Schemes Limited (Bacs), said: "Efficiency is an important part of any organisation's processes. But this is even more critical for charitable associations, where each and every penny spent on administration reduces the amount that ultimately goes to the beneficiaries. I hope that the positive experience of TLC Lottery will encourage similar organisations, large and small, to adopt Direct Debit as a payment option for their supporters."

The results of the campaign showed that those donating were open to helping the charity benefit from a more efficient and cost effective payment option, with a third making the switch from standing order immediately – the natural next step would be to encourage those who choose to pay by cheque to help maximise charitable profits and streamline administration for the organisation they support, by opting for Direct Debit.

Charities can find out more about the benefits of Direct Debit at [www.bacs.co.uk/Bacs/Businesses/Direct+Debit](http://www.bacs.co.uk/Bacs/Businesses/Direct+Debit)

\* Acorns Children's Hospice, Birmingham St. Mary's Hospice, Birmingham Focus on Blindness.