

# Managing in a crisis: a guide for charities



# Contents

- 3 Introduction**  
by Thea Longley and Sung-Hyui Park
- 6 Navigating the polarised politics of our times**  
by Suhan Rajkumar
- 10 How to manage when crisis hits**  
by Molly Carew-Jones, Lawrence Simanowitz,  
Philip Kirkpatrick, Melanie Carter,  
Emma Dowden-Teale, Sung-Hyui Park,  
Alice Faure Walker and Roshni Pisavadia
- 12 *Managing in a crisis***
- 13 *Crisis checklist***
- 18 *Serious incident reporting***
- 20 *Governance in a crisis***
- 22 Fraud and cyber security**  
by Mindy Jhittay and Yvett Talas
- 26 Crisis communications – top tips for charities**  
by Peter Gilheany, Director at Forster Communications

# Introduction



**Thea Longley**

Partner

[t.longley@bateswells.co.uk](mailto:t.longley@bateswells.co.uk)

020 7551 7782



**Sung-Hyui Park**

Senior Associate

[sh.park@bateswells.co.uk](mailto:sh.park@bateswells.co.uk)

020 7551 7900

# Introduction

As advisers to charities, social enterprises and public interest organisations of all kinds, we are very fortunate to work with so many fantastic organisations delivering a positive impact. Not only do we work with them in carrying out their day-to-day activities during the ‘good times’, we also support them in the midst of their most challenging crises. Our aim is always to help clients avoid a crisis in the first place, and our experience shows that good planning and governance are critical. However, a crisis can come from unexpected quarters – and affect even the most well-run organisations – something we have seen all too clearly with the global pandemic.

This is why we’ve produced this crisis management guide for charities. Drawing on the expertise of colleagues from different areas of the firm, and fellow B Corp Forster Communications, we look at some of the varied issues that might prompt a crisis, how you might pre-empt a crisis, and how to plan for the worst, should it happen.

We have sought to set out the very practical steps that charities can take – and points to consider – if a crisis hits. We address questions such as: How do you deal with your regulators? When should you make a serious incident report to the Charity Commission? How do you manage

communications? How can you respond to cyber fraud?

As an overarching theme in the current climate, we are mindful that many charities are particularly grappling with scrutiny and challenge around racial equity and other EDI (equity, diversity and inclusion)-related issues, as well as a backlash from some of their stakeholders for engaging with such issues in the first place. Throughout this guide, we encourage charities to tackle the current political climate – and the challenges of navigating the so-called ‘culture wars’ – head on, and not let the landscape of polarised politics hold them back from doing what they do best: working to create a better society for all.

The end goal, as with everything you do, is to come through a crisis in a way that ensures that you are serving your charity’s purposes in the best way that you can. Purpose, as we set out in our overview of governance in a crisis ([page 20](#)), is key.

Some common themes that emerge from our guide include:

- **Good decision-making is very important**, both in avoiding and dealing with a crisis. We always point clients to the Charity Commission’s excellent guide to trustee

decision-making **It's Your Decision**, and often recommend a decision-making matrix, particularly where critical decisions are concerned. When scrutinising trustee decisions after the event, the Charity Commission invariably focuses on the trustees' decision-making process, with reference to its guide.

- **Transparency and good communications are also vital** (for more on this see the article from Forster Communications on [page 26](#)). You'll need good lines of communication with your stakeholders, insurers and the public. And when communicating your message, don't just focus on those with the loudest voices – resist the pressure to give rushed reactions that seek to placate them without thinking through how your responses could impact the 'landscape' of your stakeholders as a whole. Use this opportunity to really embed the values of equity and inclusivity within your reactions, and strive to properly take into account the different sides to the story (in the time available).
- **Don't overlook how the crisis and your reactions may impact (and be perceived by) those from underrepresented communities.** Involve these groups in your decision-making process for the crisis where you can, and be attuned to the potential for conflicting views

and responses between your different stakeholder groups.

- On a similar EDI-related theme, you will want to avoid burning bridges unnecessarily with your supporters or the wider public while responding to the crisis. **Give extra consideration as to how to spread your message thoughtfully, persuasively and constructively**, in a way that enables you to 'build bridges', where possible, of understanding and connection with and between your stakeholder groups and with the public.
- As a key practical point, **make sure that you have a crisis management plan** – and don't panic.

We don't want this guide to sit on one side until a crisis looms or suddenly escalates. It is intended to help you focus on preventing problems in the first place – and to help you develop the plans and tools to respond swiftly and effectively to a crisis, should you and your organisation ever need to.

NB: While both equity and equality are used, we define EDI as equity, diversity and inclusion. **The Equality and Human Rights Commission** describe equality as: "Ensuring that every individual has an equal opportunity to make the most of their lives and talents." Equity, however, means giving people what they need in order to ensure everyone has the same opportunities.

# Navigating the polarised politics of our times



**Suhan Rajkumar**

Associate

[s.rajkumar@bateswells.co.uk](mailto:s.rajkumar@bateswells.co.uk)

020 7551 7718

Politics and public discourse have become increasingly fractured in recent years. More and more charities are bumping into the obstacle of the so-called ‘culture wars’.

Navigating these issues can be a minefield for charity staff and trustees, who are pulled in what might be seen as competing directions.

Charities’ work risks being seen as controversial, or even political, by some parts of society. Recent ‘battlegrounds’ in the mire of today’s culture wars have often focused on matters relating to equity, diversity and inclusion (EDI). Some charities’ efforts to respond to the murder of George Floyd, or to reassess the colonial history of their assets, have resulted in backlash from some of their stakeholders; there have also been fractured debates within and across a number of charities about the interrelationship between gender and sex. The Charity Commission, an ever-active regulator, is drawn into investigating charities at the request of their critics, and examining the impact of charities’ work on their reputations. Late last year, the commission’s former Chair, Baroness Stowell, went so far as to recommend that charities “leave [...] the culture wars out of it” to avoid damaging their goodwill.

Clearly, charities venturing into **politics and campaigning** must ensure that their activities sit squarely within their charitable objects, and are never party political. However, it has long been accepted that they are able to campaign in pursuit of their purposes, to comment on social and

political issues, and to take positions that not everyone agrees with.

Trustees are constantly weighing up different factors when taking strategic decisions. The reputational risk posed by our polarised public discourse is just one of those.

A charity's ultimate duty is to further its purposes for the public benefit. So, in a campaign to capture the public's hearts and minds – in furtherance of the charity's purposes – having an element of controversy may be a risk worth taking. Controversy is sometimes not just an unwanted side effect of the campaign, but the goal itself: to get people talking and thinking about a particular issue and to challenge their preconceptions. That doesn't mean that it isn't still important for trustees to weigh up whether the risks are worthwhile, and to consider how to mitigate them – but it does mean that they shouldn't feel too afraid to speak up.

For some charities, their very purpose might be controversial to some, who disagree with their mission or activities. That controversy does not detract from their position as charitable in law.

The Charity Commission clearly recognises the role of charities in public debate, and the difficulties they face. Since Baroness Stowell's warning about the culture wars –

and under the leadership of a new interim chair – the regulator has cleared the National Trust and the Runnymede Trust of alleged breaches of charity law, following complaints by politicians and others.

However, in mid September the then Culture Secretary, **Oliver Dowden, expressed concern** that some charities “appear to have been hijacked by a vocal minority seeking to burnish their woke credentials”, announcing that the government is seeking a new chair for the commission who “will restore charities' focus to their central purpose”. His remarks attracted robust criticism from leaders across the sector.

“Trustees are constantly weighing up different factors when taking strategic decisions. The reputational risk posed by our polarised public discourse is just one of those.”



In regulating charities' protection of their reputation, the commission cannot ignore the public mood – particularly when it comes to the so-called 'culture wars'. Polling shows **a significant public belief** that politicians invent or exaggerate the culture wars as a political tactic; the public are as likely to think that 'woke' is a compliment as it is an insult (and more likely to not know what it means). The risk of being seen to be 'woke' might not always be as grave as it seems.

It is well within a charity's rights to campaign, to comment on social and political issues, and to carry out political activity in furtherance of its purposes. As public debate about the big issues in society rages on – about race, in today's world and our history, reignited by the murder of George Floyd; about climate and our planet; about safeguarding and much-needed improvements following the #MeToo movement – charities must continue to play their part.

Of course, to be able to do so, charities must be careful not to burn bridges – with their supporters or with the wider public. Trustees might want to give extra consideration as to how to spread their message effectively and positively – perhaps consulting with beneficiaries and donors, engaging with wider groups of stakeholders to test messages, and scenario-planning for adverse consequences.

As ever, it will be vital for charities to document their thinking and decision-making, to demonstrate that trustees are appropriately engaged in considering whether a course of action is in line with the charity's objects, and the wider risks and benefits. But, having taken these steps, charities should not let polarised politics hold them back from doing what they do so well: working for the betterment of society.

“Having taken these steps, charities should not let polarised politics hold them back from doing what they do so well: working for the betterment of society.”

# How to manage when crisis hits



**Molly Carew-Jones**

Associate

[m.carew-jones@bateswells.co.uk](mailto:m.carew-jones@bateswells.co.uk)

020 7551 7677



**Lawrence Simanowitz**

Partner

[l.simanowitz@bateswells.co.uk](mailto:l.simanowitz@bateswells.co.uk)

020 7551 7750



**Philip Kirkpatrick**

Deputy Managing Partner

p.kirkpatrick@bateswells.co.uk

020 7551 7762



**Sung-Hyui Park**

Senior Associate

sh.park@bateswells.co.uk

020 7551 7900



**Alice Faure Walker**

Senior Consultant

a.faurewalker@bateswells.co.uk

020 7551 7813



**Roshni Pisavadia**

Solicitor

r.pisavadia@bateswells.co.uk

020 7551 7791

# Managing in a crisis

Even if your governance, policies and procedures are gold standard, there are no guarantees that your charity won't ever face a crisis. As we have seen with the impact of the Covid-19 pandemic, not all crises can be foreseen. There's a huge range of issues that might prompt a crisis – examples include finance, safeguarding, racial equity and other EDI (equity, diversity and inclusion)-related issues, criminal activity, data breaches, reputation, governance, employment and allegations of a broken or toxic culture – to name but a few. How you respond will of course vary significantly depending on the nature of the crisis.

We outline on the following pages some of the main issues that you might need to consider when a crisis hits. They won't all be relevant – and some of them may seem obvious – but in our experience having a checklist to hand can help you to focus more clearly on what needs to be done at the time.

## Quick pointers



by Philip Kirkpatrick  
Deputy Managing Partner

To decide what you need to do in the interests of your charity, you need to:

- Find out the truth, as best you can.
- Be open and honest and own up to any failings of the charity.
- Be fair and inclusive, while recognising some people may be hurt and you are unlikely to be able to please everyone.
- Be proportionate. And be aware that criticism frequently isn't.
- Be willing to take responsibility.
- Be mindful of your employment law duties.
- Be mindful of your data privacy duties.
- Be careful of defamatory statements.
- Balance the short-term and long-term risks of your decisions.

# Crisis checklist

## **Act quickly**

You may need to act quickly to bring any immediate risk under control. This might involve contacting emergency services, suspending staff under suspicion (on a carefully considered basis – ideally after obtaining legal advice – rather than as a ‘knee-jerk’ reaction), temporarily ceasing an activity or getting appropriate emergency specialist help. If you are facing a cyber attack, for example, a first step will be to change all your passwords. (See Mindy and Yvett’s article on [page 22](#) for more on managing cyber fraud.)

## **Notify regulators and stakeholders**

Make necessary notifications to relevant authorities, regulators, commissioners and funders so that they know what has happened and can initiate their own procedures and maintain appropriate oversight. Do not wait until you have concluded your own investigation.

Charities will need to consider whether they need to make a serious incident report to the Charity Commission. This is important: the commission expects serious incidents to be reported promptly, in line with its **serious incident reporting guidance**. It considers that failings in incident reporting may be evidence of mismanagement by the trustees. There’s more information on [page 18](#) about

how to identify a serious incident and report it.

We find that it’s helpful for charities to have a system in place to identify serious incidents promptly and escalate them. Trying to establish reporting mechanisms after an incident has occurred is often too late. We recommend putting in place – and implementing – a serious incident reporting policy. This can also be helpful in demonstrating general good practice if the trustees are challenged.

## **Insurance**

Do you need to notify your insurers? Coverage may be lost unless notifications are made in accordance with the terms of your policy. You may also need to clear your communications and methods of investigation in relation to the incident with the insurers, especially anything that might be perceived as an admission of fault. An early approach and regular dialogue is vital.

Check the scope of your cover. Does it cover liability arising from the incident during the insured period, or claims made during that time? What about communications advice and legal advice and representation? Does it cover advice for individual trustees and other officers, including employees, if that is needed?

## Investigation

You will clearly need to conduct a thorough internal investigation, but the timing is crucial. You may need to agree with relevant authorities (such as the police or local authority) that you can investigate without prejudicing the exercise of their public functions.

It may be wise or necessary to bring in an experienced external independent investigator. Doing so shows how seriously you are taking the issue and it can help you to avoid rushing to make immediate responses that would not be in the charity's interests. Be aware that you will typically be expected to publish outcomes. And be very clear about the cost and terms of reference, as well as the scope and timescales of any investigation.

Where necessary, take evidence from staff and other potential witnesses as soon as possible. Make sure that any interview notes are agreed with the interviewees. Do not offer to treat these notes as confidential – a regulator or public body may be able to force you to disclose them; you may be required to disclose them as part of a Data Subject Access Request; or you may wish to disclose them yourself on reputational grounds, or use them as part of your own internal disciplinary proceedings.

## Governance

It goes without saying that you need to ensure appropriate board involvement. Some responsibilities may be delegated, but this should be in accordance with an agreed framework: make sure that your delegation and reporting mechanisms are fit for purpose. Some decisions must rest with the trustees: ultimate responsibility for serious incident reporting, for instance, rests with the board. See [page 20](#) for our separate guidance for the board.

## Take advice

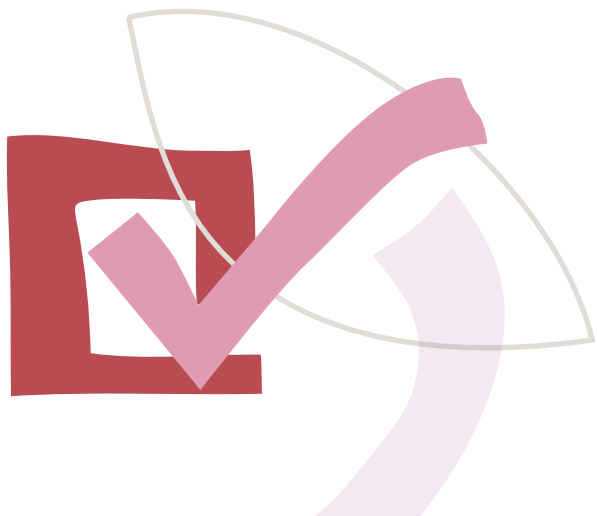
It is notoriously (and understandably) difficult for people caught up in a crisis to be completely clear-eyed about it. An uninvolved, impartial adviser can help you see the real extent and significance of the events, the options available and the likely consequences of different actions, inactions and statements. Taking relevant professional advice can in some circumstances also shield the trustees from personal liability.

If your crisis relates to reputational damage arising from a racial inequality or other EDI (equity, diversity and inclusion)-related issue, consider taking advice from an EDI specialist consultant or adviser. They can add a much-needed fresh perspective, and can help you to navigate through and seek to balance the different perceptions and

stances of your various stakeholder groups, as well as those marginalised communities who may feel directly or indirectly impacted by the crisis.

### **Dealing with your stakeholders**

Develop an appropriate stakeholder management plan, including how any internal, service user, beneficiary, public and/or press enquiries will be dealt with. As part of this process, consider how the crisis – both the underlying event and your response to it – might affect different groups of beneficiaries, staff and other stakeholders, and how you can mitigate adverse effects. Although it will be important to prioritise, organisations should take into account how the wider consequences or perceptions of a particular situation might impact marginalised or underrepresented groups – especially at a time when stakeholders may feel particularly vulnerable – and aim to involve such groups within the decision-making process for the crisis, where you can.



### **Communications strategy**

There may be a period when one allegation quickly follows another and you may be tempted to jump to respond. Understandably, failing to respond allows the story to develop and the more that is published without response or denial, the more may be believed. But take your time: don't rush into communications (especially public communications) that may not be well thought through. Communications specialists Forster Communications have some top tips in their article on [page 26](#).

Consider how your communications may affect others. As part of this, you will need to be attuned to the potential for conflict and competing rights between your different stakeholder groups, particularly for a crisis that touches on the 'culture wars' as described in Suhan's article on [page 6](#). Any reaction that is made without proper consideration of all sides of a story – or is not presented in a fair and balanced way – could result in back-tracking and risks negative public attention.

On a similar theme, as the article from Forster Communications on [page 26](#) advises, when communicating your message, don't just focus on those with the loudest voices. Resist the pressure to give rushed and placating reactions without thinking through how your responses could impact your stakeholders as a whole. One of the dangers

of reacting in a way that primarily seeks to placate the most demanding, is that your organisation could respond in a way that actually alienates your other stakeholders, leading to a situation where the crisis could potentially be worsened – with bridges being burned and relationships with and between stakeholders being damaged. You should aim to think clearly about what your charity is actually seeking to achieve, and to message this in a way that is persuasive and is able to ‘build bridges’, where possible, of understanding and connection with and between your stakeholder groups.

For all communications, ensure that confidentiality is appropriately maintained, that you comply with data protection principles and, where relevant, be conscious of the rules on defamation.

“When communicating your message, don’t just focus on those with the loudest voices.”

### **Co-operate with your regulators**

Co-operate with regulators and public bodies where they are exercising their functions appropriately.

Do not, unless mission critical or required by insurers, wait for them to use any coercive powers. Early and full co-operation can go a long way in heading off later criticism or sanctions. Do let your regulators know early if deadlines cannot be met.

Unless it is, again, mission critical or you are required to do so by insurers, do not try to defend the truly indefensible. This is likely to undermine confidence in you as a suitable organisation to be carrying out a regulated activity and to attract criticism and possibly harsher sanctions – particularly where the regulator is acting fairly and in accordance with its functions in seeking information or assurances and/or there is clear evidence that the incident occurred and could and should have been avoided.

However, where you believe the regulator is not acting appropriately, you may want to seek advice on the extent to which and the way in which you respond.

### **Record keeping**

Ensure that all of your paperwork and records are retained, in order, organised and accessible, especially if your regulator(s) are involved or likely to become so.



This may include policies and procedures, risk assessments, case notes, staff recruitment/supervision information, staff training records, incident logs, CCTV or equipment recordings and any other material that is relevant to the issues at hand, such as records of key decisions (including minutes of trustees' meetings: see [page 20](#)). Ensure that all relevant information and material is kept securely and not deleted or destroyed even if in accordance with your usual data retention policies. It may be required by authorities or in the event of any litigation.

You should take care to share information carefully and in accordance with GDPR and data privacy principles, using appropriate safeguards where necessary. If in real doubt as to your ability to share material with a regulator or public body, ask them to require you to do so as this is likely to ensure a lawful basis under data protection principles.

### **Lessons learned**

You should clearly focus on lessons learned. It is the right thing to do, and regulators will want to know that you are thinking about it. At an appropriate point, carry out an internal or – if warranted – external review of how the incident arose and how it was handled, setting out lessons learned and an action plan to optimise your policies and procedures going forward. Ensure that any

actions are taken and completed in a timely manner, and set periodic review period(s) to follow up on these.

Looking to the future, consider whether your long-term response to the crisis could offer a renewed opportunity for your organisation to embed EDI (equity, diversity and inclusion) principles more deeply in how you operate. This may, for example, involve taking steps to ensure that your governance and decision-making engages and reflects views from a variety of backgrounds, skills and viewpoints. It could mean confronting any existing (albeit potentially inadvertent) power imbalances – for example, between your charity and beneficiaries from underrepresented groups, or within different levels in your own organisation – so that you are able to nurture a more inclusive culture and deliver your charitable objects more effectively.

### **And remember**

Crises do pass. They can be survived and indeed your organisation can grow and strengthen as a result.



# Serious incident reporting

## What is a serious incident?

A serious incident is defined as: **an adverse event (actual or alleged)** which results in or risks significant:

- harm to a charity's beneficiaries, staff, volunteers or others who come into contact with the charity through its work;
- loss of the charity's money or assets;
- damage to the charity's property;
- harm to the charity's work or reputation.

**Significant** means significant in the context of the charity, taking account of its staff, operations, finances and/or reputation.

Don't forget that significant incidents include **incidents that involve a charity's partners in the UK or internationally** where those incidents materially affect the charity, its staff, operations, finances and/or reputation such that they are serious enough to be reported. Plan for this in advance by including reporting mechanisms in contracts with partners.

The term 'partners' includes the following (and the people who come into contact with them through their work):

- a delivery partner of the charity;
- a subsidiary trading company of the charity;
- an organisation that receives funding from the charity; and
- another charity or organisation that is linked to your charity, for example as part of a federated structure.

## Do we need to report?

While the definition of a serious incident is broad, whether the level of harm is significant enough to justify reporting will depend on the context. This is a judgement call and the **Charity Commission's own guidance** acknowledges that there are some grey areas.

“Our message is:  
do not be afraid  
to report.”

Our message is: do not be afraid to report. In our experience, charities are far more likely to face criticism for failing to report an incident than for reporting an incident that may not meet the seriousness threshold, and the commission is less concerned with the number of reports than with how they are actioned.

It seems that Charity Commission regulatory engagement with a charity is most likely to arise if the incident attracts adverse media attention. In those circumstances, the commission will nearly always expect a report from the charity (on the basis that it faces reputational harm) and may be concerned if it has not received advance warning through the serious incident reporting regime.

Importantly, a decision not to make a report must be clearly recorded. If an unreported incident comes to the attention of the commission, it will want evidence that the charity has properly considered its reporting obligations.

### **How do we make a report?**

There can be a tension between the commission's expectation that charities will report promptly and the fact that complex incidents can change quickly as new information comes to light. Charities may also want some time to start to address the

issue before making a formal report. In these circumstances we often advise charities to make an initial report to the commission, sharing the information that the charity has, but noting that things are developing and that further actions are imminent. You can then provide further updates, using the incident number issued by the commission.

Reports are made via the commission's **online reporting form**, which contains specific questions to identify the incident and the steps taken. While it is not currently possible to include attachments on the form, charities can note what supporting documentation the charity can provide. We recommend that reports provide a full description of the matter as the case workers reviewing them will not always be familiar with the charity's work. If there is a good reason for omitting something from the report, that should be explained. When referring to individuals, do be mindful of your responsibilities under GDPR and data privacy principles.

Overall, when drafting a report, we recommend (measured) transparency and co-operation. The aim should be to show good management, and to demonstrate to the commission that no further regulatory involvement is required.

# Governance in a crisis

## **What can the board expect?**

There are many kinds of crises but if your charity is facing the kind that attracts public scrutiny, you may be in for a rough ride. If you are a trustee of a charity with paid staff, you may be about to discover that, whatever you were told about not interfering in operational matters, and however much you are a very part time volunteer, people, including regulators, are likely to start asking why you did not know exactly what was going on (if you didn't), why you didn't do more to address it, and what you are going to do about it now. It will be a time for trust and flexibility, which may both be severely tested. Trustees now need to understand the running of the charity more than they ever have before and work collaboratively with senior management and stakeholders to see the charity through the crisis.

## **Meet often and meet well**

This is no time for quarterly board meetings with draft minutes circulated a month after the meeting. Meetings might need to be weekly or even more regularly than that. While it may be tempting to try to manage a crisis with a very small group of people, all trustees should be kept informed and should engage. Those who do not engage may expose themselves to criticism and perhaps worse.

The board should make sure that their meetings are fully minuted – engage someone to do that if necessary. Minutes should record not simply what was decided but also the factors considered in reaching the decisions. Consider and follow the Charity Commission's framework for decision-making, **It's your decision** – a decision-making matrix can help.

During the crisis, circulate draft minutes as soon as possible and request that any amendments and comments are provided promptly. Remember that minutes may be scrutinised at a later date – one of the first things the Charity Commission asks when investigating a matter is to see copies of relevant minutes.

## **Comply with the governing document and manage conflicts of interest**

Try to make sure you are following the decision-making procedures in your governing document wherever possible. But don't get so bound up in process that the board considers little else and effective decisions cannot be taken. It may be that one or more trustees has a conflict because they are implicated in allegations. Follow the rules in the charity's governing document and any conflicts policy that has been adopted.

### Remember the human factor

Good governance is all about behaviour – striving to work constructively, harmoniously and effectively together, involving your stakeholders where you can. You may have to plan for the difficulties, sometimes conflict, that can arise from stressful situations. You will need to have respect for each other and show humility when needed.

### Remember the charity's purpose

The trustees' main function is to help the charity further its purposes. This does not change just because there is a crisis, unless the charity is, or is about to become, insolvent. Their duty is not to protect the organisation at all costs but to do their best to ensure that the purpose can continue to be carried out as well as possible. Short term protection of the organisation or individuals within the organisation may not be the best solution. Keep an open mind and remember that, while events move on, the spotlight moves on and people move on, the purpose remains.



## Spotlight

### The annual Bates Wells charity conference

**22 November, 2–5pm**

Our annual Bates Wells conference will be discussing many of the themes raised in this update, including resilience, the 'culture wars' and how to navigate crises.

Featuring sector specialists from Bates Wells and outside expert contributors, we'll be looking back at the impact of the pandemic and looking forward to exciting – and challenging – developments in the sector.

There'll be lots of opportunities to share experiences and what we've learned in these challenging times.

**Virtual places are available to [book now](#).**

# Fraud and cyber security – be prepared



**Mindy Jhittay**

Senior Associate

[m.jhittay@bateswells.co.uk](mailto:m.jhittay@bateswells.co.uk)

020 7551 7853



**Yvett Talas**

Trainee Solicitor

[y.talas@bateswells.co.uk](mailto:y.talas@bateswells.co.uk)

020 7551 7924

# The risk of a crisis resulting from fraud – especially cyber fraud – is ever present in the sector.

**The Department for Digital, Culture, Media and Sport Cyber Security Breaches Survey**, published in March 2021, reported that one in four charities reported a cyber security breach in 2020–21, rising to one in two for higher-income charities.

There are steps that you can take to minimise the risk of cyber fraud (see our prevention tips, below). But what should you do if you discover fraud, or possible fraud? These are the questions you should consider as soon as possible. And we'd strongly advise you to put the basic framework in place now, so it's ready when you need it.

## **1. Who is in charge?**

First, convene your internal crisis response team. Include a senior decision-maker, someone who understands the technical side of your operations (e.g. IT manager), someone from your communications team, your Data Protection Officer and in-house counsel (if you have one). You need to ensure that there's appropriate board involvement – consider who will be responsible for keeping your trustees updated, if they are not directly represented.

## **2. Who can help?**

You may need external advisers to complement your internal team – specialist solicitors or counsel, IT/cyber forensic investigators, and possibly PR advisers.

## **3. What happened?**

You need to know what happened, whether the cyber attack is still ongoing and how to prevent it happening again. Your investigation should uncover and preserve evidence and record the findings for your crisis management team to assess and determine next steps, with external advice if required.

If the attack is ongoing, consider immediate actions such as changing passwords, updating settings, and informing colleagues and third parties. If you think the fraudsters may have accessed your emails, don't use email – talk to people directly.

#### **4. Whom should we tell?**

Notify your insurer, report a suspected criminal offence to **Action Fraud** (the National Fraud and Cyber Crime Reporting centre), and consider your obligations to regulators including the Information Commissioner's Office and the Charity Commission (you may need to make a serious incident report, see [page 18](#)). You should usually take these steps as soon as reasonably possible – even if your investigation is ongoing.

Consider how you will support anyone who was directly involved, and educate all your staff and volunteers about what to do in case of future attacks or suspicious correspondence.

You need to consider external communications – what you say about what happened and whether you do this proactively or reactively. If personal data has (potentially) been compromised are there specific individuals you need to notify?

#### **5. How much should we spend?**

Consider what has actually been lost, the prospects of recovery and the risks of further losses. This should inform your decisions about proportionate spending on your investigation and associated steps. There can be real value in learning lessons that better protect you against future incidents. Consider the financial implications of the

fraud – consult with insolvency specialists if you are worried.

#### **6. Can we get our money back?**

As we've said above, notify your insurers immediately with a view to claiming for losses if possible.

Consider whether a third party may be liable for your losses – for example, the party responsible for your security systems – or whether the cyber fraud occurred due to the inadequacy of another party's security systems. Preserve all relevant evidence and consult with your solicitors to see whether you could commence a civil claim that is proportionate and stands a realistic chance of recovering some or all of the funds.

#### **7. How can we stop this happening again?**

As well as the prevention steps we've outlined below, your investigation should result in specific actions that will prevent against recurrence.



## Preventing cyber fraud

Review or create your data security breaches policy and train your staff to ensure that they are equipped to prevent and manage future cyber fraud, even in unusual working conditions. Your policies and training should cover the following:

- Be alert to unusual or urgent requests for money or sensitive information and challenge them. Run unfamiliar requests past colleagues for a common-sense check – if your colleague isn't in the room, call them.
- Scrutinise email addresses. Never take requests to amend a sort code or account number at face value. Banks will never ask you for PINs, passwords, or payment authorisation codes.
- Make sure that your normal processes for fraud prevention are reliable even if staff are working from home. These include financial checks, such as dual authorisation and the monitoring of financial transactions, and the security basics – such as virus protection, unique user IDs and passwords, and restricting access to online payment systems and other sensitive information.
- Beware of offers that come out of the blue, do not click links or open emails from senders you don't already know, and do not give out personal or sensitive information.
- Above all, stay vigilant and stay calm. Do not respond if you're feeling panicked or unsure about an unfamiliar communication, even – and especially – if you're being told to act urgently.



CONSULTANT INSIGHT

# Crisis communications – top tips for charities



**Peter Gilheany**

Director at Forster Communications

Forster Communications is a specialist values-led consultancy that works with businesses and organisations that want to make a positive impact. Forster Communications, along with Bates Wells, was one of the founding UK B Corps.

Unfortunately, crisis communications is a growth industry within the voluntary sector at the moment for multiple reasons – financial pressures, criticism from government, and chickens coming home to roost around issues like bullying, discrimination (on the grounds of race, disability, sexuality, gender or otherwise) and sexual harassment. All voluntary sector organisations should have plans in place for how they would respond to a crisis.

This is the lowdown on what you need to consider:

### **1. Be prepared**

Do the planning now so you're on the front foot if a crisis strikes. This means putting together a simple risk register and crisis response protocol.

The risk register is laborious but important. Write down all the terrible things that might happen as a result of the charity's activities.

This is likely to include:

- operational problems or issues;
- internal strife or disagreement;
- issues with suppliers, partners and stakeholders;
- an external event or action by a third party that will have a significant effect on you; and

- reputational issues that may arise as a result of stakeholder and/or public scrutiny in relation to a charity's past or present connections (for example, historical links between the charity's assets and the transatlantic slave trade).

Then assign two values to each – likelihood and impact. Prioritise those most likely to happen and that would have the biggest impact. Then you'll need to consider and agree two things:

- a) what you can do to minimise the likelihood of them happening and mitigate the impact; and
- b) how you will escalate and handle the communications around them, including your responses.

The crisis protocol sits alongside the register and lays out who needs to be involved in any responses, approval processes, channels you will use and how you will deal with further responses, questions or challenges.

This might seem like a lot to take on, but it is much easier to do as much as possible ahead of time than trying to do it on the hoof in the middle of a crisis.

## 2. Get help

You may not have anyone in your team with crisis communications experience, so consider bringing in an external consultant to support you with it. If a crisis gets out of hand, it can have a serious negative impact on an organisation, so some expert help can be a good investment.

“It is tempting when responding to a crisis to prioritise those making the loudest demands or being the most critical, but they aren’t necessarily the most important audiences to engage.”

## 3. Prioritise the people who matter

It is tempting when responding to a crisis to prioritise those making the loudest demands or being the most critical, but they aren’t necessarily the most important audiences to engage. Your own staff, trustees, volunteers, supporters, funders, partners and beneficiaries are the most important and you should put them first in your comms.

## 4. Messaging

Each crisis is different but there are some core principles for the messages you put out in response to them.

**Express empathy** – someone is likely to be impacted in some way in each crisis, so communicate feeling for them.

**Communicate reassurance** – many will be concerned or panicked about a crisis and the impact it will have on them or things they care about. They need to know you are dealing with it and showing leadership around it.

**Outline appropriate and proportionate action** – it is tempting to go over the top when responding to a crisis but that can simply make things worse. Take the heat out of the situation by being considered when outlining the actions you are taking, particularly when you may not be in possession of all the facts and the wider context.

## 5. Use the right channels

Use the channels you control directly to reach your most important audiences, such as phone calls, messaging systems and emails.

Use social media to post responses and signpost to your website for further information – such as a Q&A – but don't engage in dialogue on social media, it is a zero-sum game. Respond to any inaccuracies or defamatory remarks by rebutting them (and linking to any Q&A) but, again, don't get into an exchange.

## 6. Be visible

Crisis communications is one of the situations when leaders earn their corn. People want to hear from those who are accountable and responsible, so your leaders should be front and centre in the communications – the CEO for operational issues; the chair of trustees for governance issues.

Visibility also means showing your workings, outlining where you have gone wrong or made mistakes and explaining why you can't disclose every aspect of an issue rather than simply leaving things out of your communication.

“People want to hear from those who are accountable and responsible, so your leaders should be front and centre in the communications.”



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**Get in touch:**

+44(0)20 7551 7777

hello@bateswells.co.uk

