

8 April 2024

Complaints  
Fundraising Regulator  
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By email to  
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8 April 2024

Dear Fundraising Regulator

1. I write to draw the attention of the Fundraising Regulator (the **Regulator**) to the activities of Easyfundraising Limited, a private limited for profit company which operates the website [easyfundraising.org.uk](http://easyfundraising.org.uk). Palatine Private Equity LLP, a private equity fund, acquired a controlling stake in Easyfundraising Limited in 2022. For the reasons set out below, I refer to Easyfundraising Limited in this letter as **Palatine/Moir**.
2. I am the owner and director of EasyGroup Limited, an England and Wales registered for profit company which is the creator and owner of the easy family of brands including easyJet. For more information on our business please visit [www.easy.com](http://www.easy.com) and watch the 4 minute video on [www.easyHistory.info](http://www.easyHistory.info). I am also the founder and a trustee of the Stelios Philanthropic Foundation [www.stelios.org](http://www.stelios.org) (charity registration number 1141206) (**UK Foundation**), and have signed the [giving pledge](#) which makes my UK Foundation the perpetual vehicle for my legacy. I have already donated more than EUR 84 million to my UK Foundation in the last 14 years. I am therefore personally committed to the UK charity sector and feel passionately about calling out activities which are likely to undermine public trust and confidence in charities / charity fundraisers and reporting them to the competent regulator. I have written separately to the Charity Commission to set out the concerns which are raised in this letter (although for the reasons set out below, I consider the concerns raised to fall within the remit of both the Fundraising Regulator and the Charity Commission). A copy of the letter to the Charity Commission is enclosed with this letter.
3. The background to this correspondence is that EasyGroup Limited is currently taking legal action against Palatine/Moir for infringement of its intellectual property rights. It is important for me to

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declare this vested interest in making this complaint to you as the regulator of fundraising standards in the UK. easyGroup has a legal right to take other companies to court who seek to associate themselves with our easy family of brands in order to increase their own profits. We take such legal actions against many companies, big and small, and we believe that it is for the UK courts to decide who is on the right side of the law and who is not. We also protect the UK consumer from the risk of confusion by being tricked that a brand thief is actually associated with us. In preparing for the legal action against Palatine/Moir I realised that their business model can only be profitable if they seek to propagate two falsehoods: one falsehood is that they are a charitable fundraising endeavour when they are not, and the second falsehood is that they have something to do with easyJet when they don't. We call such companies we take to court "brand thieves", and in order to avoid confusion with our own brands we would like to refer to them with the names of the shareholders (Palatine) and the CEO (in this case James Moir) rather than with an easy brand. This explains my preference to refer to Easyfundraising Limited in this letter as Palatine/Moir.

4. In preparing this legal action against Palatine/Moir, which is due to come to trial at the High Court in London in June 2024, it became apparent that, in addition to unauthorised use of the "easy" brand and associated detriment to EasyGroup Limited, Palatine/Moir may be in breach of charity law and the Fundraising Code. In my honest opinion, Palatine/Moir have engaged in the past in activities of significant concern from a charity law, fundraising and regulatory perspective. While they have toned down such activities under pressure from our legal action, these activities are to an extent still ongoing, and I have the following three concerns in particular:
  - 4.1. That Palatine/Moir is operating a business model which is likely to undermine public trust and confidence in charities and charitable fundraisers.
  - 4.2. That the business model involves Palatine/Moir holding charitable funds on trust prior to distribution to registered charities who subscribe with the platform of [easyfundraising.org.uk](https://easyfundraising.org.uk) as "causes", and it appears that these funds may not be being administered properly, in potential breach of charity law.
  - 4.3. That Palatine/Moir may be failing to comply with its duties as a professional fundraiser under rules set out in the Charities Act 1992 and the Fundraising Regulations.
  - 4.4. That Palatine/Moir is conducting its fundraising activity in a manner which is inconsistent with the principles of the Fundraising Code.

These concerns are set out in more detail below.

## **5. The business model and its impact on public trust and confidence in charities**





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- 5.1. Broadly speaking, Palatine/Moir operates an online platform ([easyfundraising.org.uk](https://easyfundraising.org.uk)) which allows shoppers to purchase goods and services from a range of third party online retailers. Those retailers pay Palatine/Moir a commission for every purchase (the amount of commission varies between different retailers, and – as set out below – the level of commission payable is not readily ascertainable). Palatine/Moir passes on a proportion of that commission to a “cause” as a cash donation. The “cause” in each case is chosen by the customer of the online retailer (referred to on the website as a supporter). The proportion of the commission which will be donated (and therefore how much will be retained by Palatine/Moir as remuneration) appears to depend on the specific arrangements with each retailer, although the website suggests that at least 50% of the commission in any case will be donated to the specified “cause”.
- 5.2. In an article in The Times of 11 January 2024, Palatine/Moir’s CEO, James Moir, was quoted as saying that Palatine/Moir would make donations totalling £7m “to charities” during 2023. For the reasons set out below, I have reason to doubt the veracity of this statement and suspect this figure relates to “causes” as a whole rather than charities (although I do not have access to Palatine/Moir’s financial records to verify this). This eliding of the concept of charity with the broader (predominantly non-charitable) pool of recipients of Palatine/Moir’s donations is indicative of the apparent ignorance within Palatine/Moir as to the nature of its activities and the law and regulation to which it ought to be subject.
- 5.3. Any “cause” can register on the website, and does not need to be a charity. My research suggests that only around 9% of the “causes” currently registered with the site are charities registered with the Charity Commission. Even that 9% figure may be an overestimate, given that there does not seem to be any verification checks on registering as a “cause”, e.g. by cross-referencing with the charities register.
- 5.4. The remaining “causes” registered on the site appear to be local community, arts or sports organisations seeking to raise small amounts from the platform. Many of these (my research suggests around 27% of the total number of “causes”) appear to be causes set up by individuals or groups to allow them to receive cashback from the platform to fund going to university (aka beer money) or trips to exotic destinations or experiences.
- 5.5. Even those “causes” which are charities tend to receive very small amounts on the donations provided by Palatine/Moir as part of the scheme. For example, Cancer Research UK appears to have raised only around £50,000 in 20 years of the site’s existence, while the British Red Cross has raised only £3,500 over the same period. This alone calls into question the CEO’s claim to have raised £7m for charity in 2023 alone (on which see above). I am also aware of



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allegations (including those posted on the review site Trustpilot) by individual supporters that donations payable to their nominated "causes", including charities, have not been paid.

- 5.6. Palatine/Moir is not itself a charity, and the "Cause terms and conditions" on its website (accessed only through a link at the bottom of the website in small text) describe it as a "for profit, private limited company". However, one of the home pages on the website describes [easyfundraising.org.uk](http://easyfundraising.org.uk) as "the UK's biggest charity shopping site". Furthermore, as part of the case against Palatine/Moir I have found evidence of consumers being routinely confused as to Palatine/Moir's charitable status (for example on Trustpilot, where Palatine/Moir is listed under the "Charity" category). Palatine/Moir's CEO is also on record describing the site as "an online charity cashback platform". In the same vein, Palatine/Moir makes regular reference in the media to raising money "for charity".
- 5.7. In summary, Palatine/Moir have in my view exploited the uncertainty around their status as a charity to their advantage, while in more recent iterations of their website making efforts to avoid overtly misrepresenting their status. Palatine/Moir claim on the home page of their website that they have raised more than £52m for causes. We also know that they only give about half of the money paid to them by online retailers to the causes (see paragraph 5.1). By deduction another £52m has been kept by the for profit company. This £52m has gone into paying salaries, other overhead costs and marketing costs and of course profits and dividends to shareholders of the for profit company. Their biggest cost is probably marketing spend in order to bring shoppers to buy their goods and services via Palatine/Moir rather than directly from the retailer. The classic example is to consider the affiliate marketing agreement that Palatine/Moir have with [booking.com](http://booking.com), the world's largest online travel retailer. So, Palatine/Moir by pretending to be a charitable endeavour and by pretending to be trustworthy because they are something to do with easyJet they are convincing customers to book their hotels or flights via them rather than direct.
- 5.8. I am concerned that allowing Palatine/Moir to continue operating under its existing business model is likely to lead to confusion amongst the public and undermine the good work of charities and fundraising organisations generally. I would therefore encourage the Regulator to investigate Palatine/Moir's fundraising practices as a matter of priority.

## **6. Terms on which Palatine/Moir holds charitable assets**

- 6.1. As set out above, Palatine/Moir is not itself a charity. However, it appears to me that when Palatine/Moir receives commission from a retailer as part of a transaction conducted through the website, it holds the agreed proportion of that commission subject to a legal, non-discretionary obligation to donate it to the "cause" nominated by the supporter.





6.2. The terms therefore create a legal obligation to make a payment to the “cause” decided upon by the individual supporter at the point of sale (subject to limited exceptions where, for example, incorrect payment details have been provided by the “cause” or a supporter cancels the transaction giving rise to the donation). Where the “cause” in question is a charity, the effect of this legal obligation is that the relevant amount is held on trust for the purposes of that charity. In other words, a fundamental part of its business model is that Palatine/Moir is responsible for holding charitable assets (albeit for a limited period of time pending distribution to the agreed charitable recipient).

6.3. We have written to the Charity Commission to ask it to investigate potential breaches of charity law with respect to the way funds held on this basis by Palatine/Moir are administered. More broadly, however, Palatine/Moir’s apparent lack of understanding of this key element of their business model is demonstrative of a general ignorance of the law and regulation to which they are subject as an organisation engaged in fundraising for charities.

## **7. Fundraising rules**

7.1. The Charities Act 1992 regulates the conduct of companies which are professional fundraisers.

7.2. A professional fundraiser is defined to include a person (including a company) who carries on a fundraising business for profit. The conduct of such a person will engage the terms of the 1992 Act if they solicit money or other property for the benefit of a charitable institution. The term “charitable institution” includes charities and institutions (other than charities) which are established for charitable, philanthropic and benevolent purposes. Accordingly, the fundraising rules in the 1992 Act (and associated Fundraising Regulations) may apply to Palatine/Moir’s relationships with registered “causes” generally; not just those which are charities.

7.3. In this case, Palatine/Moir is plainly operating a fundraising business – aside from its name, its business model relies on encouraging consumers to conduct transactions with retailers which result in a commission for Palatine/Moir, a proportion of which is donated to “causes” including charitable institutions. In addition, I consider that in seeking indirect donations for the benefit of registered “causes” from consumers via the cashback model described above, Palatine/Moir is soliciting money within the meaning of the 1992 Act. It should therefore be complying with the requirements applicable to its status as a professional fundraiser which are set out in that Act and the Fundraising Regulations. I make the following observations in this regard:

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- 7.3.1. The statements on the homepage which set out the maximum donation to be provided to "causes" (by reference to individual retailers) do not state how much remuneration (i.e. commission) Palatine/Moir is to receive in each case. This appears to me to be a breach of the requirement in the 1992 Act for the level of a professional fundraiser's remuneration to be stated when soliciting money for the benefit of a charitable institution.
- 7.3.2. Under the "Cause terms" published on the website, donations are to be paid within 90 days of the end of the quarter in which commission is received by Palatine/Moir. While the Fundraising Regulations permit professional fundraisers and charitable institutions to set their own payment terms (rather than rely on the default of 28 days), they do state that payments ought to be made as soon as reasonably practicable. Under the existing Palatine/Moir payment terms, "causes" could be waiting for nearly six months from the date Palatine/Moir receives commission to the date a donation is paid. This does not seem consistent with the timeframe contemplated in the Regulations.
- 7.3.3. The "Cause terms" are silent as to how Palatine/Moir proposes to protect vulnerable people and other members of the public from (a) unreasonable intrusion on privacy, (b) unreasonably persistent approaches for the purpose of soliciting money, and (c) undue pressure on such people to give money to charitable institutions.
- 7.3.4. The "Cause terms" do not in themselves appear to set out how much commission Palatine/Moir is to receive in each case (and therefore how its remuneration is calculated).
- 7.3.5. The "Cause terms" seem to be standard terms of business and there is no evidence that they have been signed by the "causes" as required by the Fundraising Regulations.
- 7.3.6. There is some evidence (e.g. expressed on review websites like Trustpilot) that charitable "causes" are not receiving donations at all. I have not been able to verify this information, but think it worthy of investigation.
- 7.4. In summary, the arrangements between Palatine/Moir and the "causes" seem to include multiple breaches of the requirements of the 1992 Act and the Fundraising Regulations which warrant investigation by the competent regulator. It may be the case that Palatine/Moir has entered into separate bilateral agreements with registered "causes" which satisfy the prescribed requirements, but there is no evidence that such separate agreements have been entered into (for example by reference to them in the "Cause terms"). Indeed, there is an entire agreement clause in the "Cause terms" which in effect rules out the possibility that there are separate (1992-Act compliant) agreements in place.





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7.5. Amongst other consequences (including potential criminal liability), **absent such agreements having been put in place, section 59(5) of the 1992 Act precludes Palatine/Moir from receiving any amount by way of remuneration as a professional fundraiser.** This restriction on the receipt of remuneration by Palatine/Moir applies to receipt of any monies otherwise than in accordance with a 1992 Act-compliant agreement, which potentially would include all historic commission amounts received by Palatine/Moir.

## 8. The Fundraising Code

8.1. The Fundraising Code (the **Code**) is stated to apply to organisations that carry out online fundraising platforms, and so Palatine/Moir's activities ought to be considered in the context of, and held to the standards set out in, the Code (notwithstanding that they do not appear voluntarily to have registered with the Regulator). We make the following observations in this regard.

8.1.1. Section 1 of the Code states that fundraising must be legal, open, honest and respectful. As set out in paragraph 7 above, it appears likely that Palatine/Moir is failing to ensure that it is discharging its role as a professional fundraiser in compliance with the 1992 Act – its activities are not therefore being undertaken lawfully. Furthermore, in fostering uncertainty as to their status as a charitable endeavour, Palatine/Moir is not in my view acting openly and honestly in its fundraising activity.

8.1.2. Section 7 of the Code summarises the law on professional fundraising as we have set out above, so in effect Palatine/Moir's failure to comply with these rules also amounts to a breach of the principles of the Code.

9. I would be grateful if the Regulator could let me know what it proposes to do in relation to this matter by return email to [stelios@easy.com](mailto:stelios@easy.com). I would of course be happy to provide any further information which the Regulator considers would be useful.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Stelios', is written over the 'Yours sincerely' line.

Sir Stelios Haji Ioannou

