

RFO Proposal – Banking System

1. Background

Newport & Carisbrooke Community Council (NCCC) currently uses NatWest for its day-to-day banking. However, the existing system is limited and does not provide dual authorisation. Strengthening the security of our banking arrangements is a key priority to minimise the risk of fraud and errors.

Dual authorisation is a banking security measure requiring two individuals to approve any outgoing payments. This additional layer of control reduces the likelihood of fraudulent or erroneous transactions. While some banks offer a ‘two-signature’ system, not all provide a fully electronic process suitable for Parish and Town Councils.

2. Options

	NatWest (Current)	NatWest Bankline	Unity Trust
Feature			
Specific T & P Council Account	No	No	Yes
Dual Authorisation (electronic)	No	Yes	Yes
Debit / Payment Card	Yes – No Fees*	No	Multipay Card** (£50 setup + £3/month)
Usage Fee	£0	£20 per month	£6 per month
Transaction Fees	35–70p per transaction	–	15p per transaction
Savings Account (Interest Rate)	1.06% AER	1.06% AER	2.12% AER

*NatWest debit card is linked directly to the current account. If lost or stolen, this could present a risk of theft.

**Unity Trust Multipay card (via Lloyds) allows multiple users to hold cards with individual limits. These are not linked directly to the main account, providing greater security. (£50 setup fee per card, £3 per month).

3. Financial Implications

Unity Trust offers lower transaction costs compared to NatWest Bankline and a competitive monthly usage fee. In addition, their savings account provides a higher interest rate (2.12% AER) compared to NatWest's 1.06% AER, which would improve the Council's return on reserves.

4. Risk Considerations

Remaining with the current NatWest account leaves the Council exposed to the risk of fraud or errors due to the lack of dual authorisation.

NatWest Bankline provides dual authorisation but at higher ongoing costs and with no payment card facility.

Unity Trust offers dual authorisation, stronger payment card controls, and better interest rates. Although it does not have a High Street presence, cash and cheque services can continue via NatWest.

5. Current Signatories

The following are the current authorised signatories:

- Vikki Wright
- Joshua Tombleson
- Julie Jones-Evans
- Andrew Garratt
- Vix Lowthion

It is recommended that Laura Jones is also added as a signatory to strengthen resilience and ensure business continuity.

6. Recommendations

1. That NCCC transfers its banking arrangements from NatWest to Unity Trust Bank in order to benefit from dual authorisation, lower transaction costs, improved savings interest, and more secure card facilities.

2. That Laura Jones be added as an authorised signatory to support dual authorisation and cover the Responsible Finance Officer's absence when required. All other signatories to remain the same.