

Example Letters to Banking Providers – Ending Fossil Fuel Expansion Finance

Note to Institution

Below you can find examples of an initial communication and a request for meeting with the five high-street banks (HSBC, Barclays, Santander, NatWest and Lloyds). Please send the below to your banking provider/providers, via their customer services email or your relationship manager if you have one.

If you would like any further advice, or if you're successful in getting a meeting with your bank and want additional support, please email adam@makemymoneymatter.co.uk.

HSBC

For the attention of the CEO, Noel Quinn.

We are writing to you to register our deep concern at your financing of fossil fuel expansion.

Here, at [Institution], we have been a customer of your bank for [x] years, and we have £[X] in balances with you. [We also hold [x] number of shares in your organisation.] We appreciate the service you have provided us. However, your operations are at odds with our own values and mission.

As a [Institution type], our priority is [please input your own reasoning here]

We feel that this is an issue where we must use our voice appropriately. As a trusted institution, facing a climate emergency, we must maintain our integrity and commitment to a better world.

[If previous action taken on your own exposure to fossil fuels, please input here]

Since 2016, you have financed the fossil fuel sector that is driving the climate crisis with \$145bn. You have provided \$55bn of financing for the top 100 key oil, gas, and coal companies expanding fossil fuels in the same time frame. Any financing of fossil fuel expansion will derail any chance the planet has of achieving the 1.5C target.

Not only must we stop burning fossil fuels, we must also scale up investments in renewables. However, your Energy Supply Banking Ratio – according to BloombergNEF - is well below what is needed, at 1.2:1 for 2022.

This does not align with our values as an institution.

We acknowledge the steps you have taken so far in updating your policies – including the exclusion of direct financing for new oil and gas fields, and infrastructure whose primary use is in conjunction with new fields. However, your policies still allow you to provide general entity level finance to fossil fuel expanders, and your assessment of client transition plans needs to be tougher. There is much evidence from credible sources, such as Carbon Tracker

and the Transition Pathway Initiative, showing that oil and gas majors are not aligned to global temperature goals. We must transition away from fossil fuels as agreed at COP28.

We are asking that you:

1. **Put clients on notice that they must stop expansion activity** - HSBC should publicly serve notice to existing clients that are involved in fossil fuel expansion activity that they will cease to provide any new finance to them unless they stop expansion. HSBC must outline robust escalation routes if clients do not act. This must cover all forms of finance, including general corporate finance, and capital markets underwriting. HSBC should not provide any kind of finance to potential new clients which are involved in fossil fuel expansion.
2. **Exit relationships** - If existing clients do not act to stop fossil fuel expansion, HSBC should implement their escalation/exit strategies.
3. **Commit to significantly scaling up climate solutions finance**, targeting at least a 6:1 energy supply financing ratio by 2030 for low-carbon compared to fossil fuels.

We hope to continue engaging with you and may look to take action in the future if you continue to finance fossil fuel expansion. This may include but is not limited to moving our accounts, in part or in whole; removing any benefits or promotions you receive from us; [or voting against you at your AGM.]

We know this is a growing issue on which well-known institutions have already taken action, and we may collaborate with partners where appropriate to drive action.

As a client [and a shareholder] we wish to meet with you to discuss this further. Please let us know your availability.

Yours faithfully,

Barclays

For the attention of the CEO, C. S. Venkatakrisnan.

We are writing to you to register our deep concern at your financing of fossil fuel expansion.

Here, at [Institution], we have been a customer of your bank for [x] years, and we have £[X] in balances with you. [We also hold [x] number of shares in your organisation.] We appreciate the service you have provided us. However, your operations are at odds with our own values and mission.

As a [Institution type], our priority is [please input your own reasoning here]

We feel that this is an issue where we must use our voice appropriately. As a trusted institution, facing a climate emergency, we must maintain our integrity and commitment to a better world.

[If previous action taken on your own exposure to fossil fuels, please input here]

Since 2016, you have financed the fossil fuel sector that is driving the climate crisis with \$191bn. You have provided \$56bn of financing for the top 100 key oil, gas, and coal companies expanding fossil fuels in the same time frame. Any financing of fossil fuel expansion will derail any chance the planet has of achieving the 1.5C target.

Not only must we stop burning fossil fuels, we must also scale up investments in renewables. However, your Energy Supply Banking Ratio – according to BloombergNEF - is well below what is needed, at 1.6:1 for 2022.

This does not align with our values as an institution.

We acknowledge the steps you have taken so far, including your February 2024 policy update. However, your policies still allow you to provide general entity level finance to fossil fuel expanders, and your assessment of client transition plans needs to be tougher. There is much evidence from credible sources, such as Carbon Tracker and the Transition Pathway Initiative showing that oil and gas majors are not aligned to global temperature goals. We must transition away from fossil fuels as agreed at COP28.

We are asking that you:

1. **Put clients on notice that they must stop expansion activity** - Barclays should publicly serve notice to existing clients that are involved in fossil fuel expansion activity, that they will cease to provide any new finance to them unless they stop expansion. Barclays should outline robust escalation routes if clients do not act. This must cover all forms of finance, including general corporate finance, and capital markets underwriting. Barclays should not provide any kind of finance to potential new clients which are involved in fossil fuel expansion.
2. **Exit relationships** - If existing clients do not act to stop fossil fuel expansion, Barclays should implement their escalation/exit strategies.
3. **Commit to significantly scaling up climate solutions finance**, targeting at least a 6:1 energy supply financing ratio by 2030 for low-carbon compared to fossil fuels.

We hope to continue engaging with you and may look to take action in the future if you continue to finance fossil fuel expansion. This may include but is not limited to moving our accounts, in part or in whole; removing any benefits or promotions you receive from us; [or voting against you at your AGM.]

We know this is a growing issue on which well-known institutions have already taken action, and we may collaborate with partners where appropriate to drive action.

As a client [and a shareholder] we wish to meet with you to discuss this further. Please let us know your availability.

Yours faithfully,

Santander

For the attention of the Group CEO, Hector Grisi, and UK CEO Mike Regnier.

We are writing to you to register our deep concern at your financing of fossil fuel expansion. Here, at [Institution], we have been a customer of your bank for [x] years, and we have £X in balances with you. [We also hold [x] number of shares in your organisation.] We appreciate the service you have provided us. However, your operations are at odds with our own values and mission.

As a [Institution type], our priority is [please input your own reasoning here]

We feel that this is an issue where we must use our voice appropriately. As a trusted institution, facing a climate emergency, we must maintain our integrity and commitment to a better world.

[If previous action taken on your own exposure to fossil fuels, please input here]

Since 2016, you have financed the fossil fuel sector that is driving the climate crisis with \$51bn. You have provided \$24bn of financing for the top 100 key oil, gas, and coal companies expanding fossil fuels in the same time frame. Any financing of fossil fuel expansion will derail any chance the planet has of achieving the 1.5C target.

Not only must we stop burning fossil fuels, we must also scale up investments in renewables. However, your Energy Supply Banking Ratio – according to BloombergNEF - is well below what is needed, at 1.6:1 for 2022.

This does not align with our values as an institution.

We acknowledge the steps you have taken so far. However, your policies still allow you to provide general entity level finance to fossil fuel expanders, and your assessment of client transition plans needs to be tougher. There is much evidence from credible sources, such as Carbon Tracker and the Transition Pathway Initiative showing that oil and gas majors are not aligned to global temperature goals. We must transition away from fossil fuels as agreed at COP28.

We are asking that you:

1. **Urgently stop the direct financing of fossil fuel expansion activity** – Santander must set clear public policies which commit the bank to ceasing further direct financing to any fossil fuel expansion activities, by new or existing clients, in any location.
2. **Put clients on notice that they must stop expansion activity** - Santander should publicly serve notice to existing clients that are involved in fossil fuel expansion activity that they will cease to provide any new finance to them unless they stop expansion. Santander should outline robust escalation routes if clients do not act. This must cover all forms of finance, including general corporate finance, and capital markets underwriting. Santander should not provide any kind of finance to potential new clients which are involved in fossil fuel expansion.
3. **Exit relationships** - If existing clients do not act to stop fossil fuel expansion, Santander should implement their escalation/exit strategies.
4. **Commit to significantly scaling up climate solutions finance**, targeting at least a 6:1 energy supply financing ratio by 2030 for low-carbon compared to fossil fuels.

We hope to continue engaging with you and may look to take action in the future if you continue to finance fossil fuel expansion. This may include but is not limited to moving our accounts, in part or in whole; removing any benefits or promotions you receive from us; [or voting against you at your AGM.]

We know this is a growing issue on which well-known institutions have already taken action, and we may collaborate with partners where appropriate to drive action.

As a client [and a shareholder] we wish to meet with you to discuss this further. Please let us know your availability.

Yours faithfully,

Lloyds

For the attention of the CEO, Charlie Nunn.

We are writing to you to register our deep concern at your financing of fossil fuel expansion.

Here, at [Institution], we have been a customer of your bank for [x] years, and we have £X in balances with you. [We also hold [x] number of shares in your organisation.] We appreciate the service you have provided us. However, your operations are at odds with our own values and mission.

As a [Institution type], our priority is [please input your own reasoning here]

We feel that this is an issue where we must use our voice appropriately. As a trusted institution, facing a climate emergency, we must maintain our integrity and commitment to a better world.

[If previous action taken on your own exposure to fossil fuels, please input here]

Since 2016, you have financed the fossil fuel sector that is driving the climate crisis with \$15bn.

This does not align with our values as an institution.

Not only must we stop burning fossil fuels, we must also scale up investments in renewables. However, your Energy Supply Banking Ratio – according to BloombergNEF - is well below what is needed, at 1.6:1 for 2022, well below your UK high-street bank peer, NatWest.

We acknowledge the steps you have taken so far, including the exclusion of direct financing for new greenfield oil and gas developments and the inclusion of scope 3 emissions in your assessment of fossil fuel companies' transition plans. We also appreciate that fossil fuels make up a small part of your business.

However, your policies still allow you to provide general entity level finance to fossil fuel expanders, and your assessment of client transition plans needs to be tougher. There is much evidence from credible sources, such as Carbon Tracker and the Transition Pathway Initiative, showing that oil and gas majors are not aligned to global temperature goals. We must transition away from fossil fuels as agreed at COP28.

We are asking that you:

1. **Put clients on notice that they must stop expansion activity** - Lloyds should publicly serve notice to existing clients that are involved in fossil fuel expansion activity, that they will cease to provide any new finance to them unless they stop expansion. Lloyds should outline robust escalation routes if clients do not act. This must cover all forms of finance, including general corporate finance, and capital markets underwriting. Lloyds should not provide any kind of finance to potential new clients which are involved in fossil fuel expansion.
2. **Exit relationships** - If existing clients do not act to stop fossil fuel expansion, Lloyds should implement their escalation/exit strategies.
3. **Commit to significantly scaling up climate solutions finance**, targeting at least a 6:1 energy supply financing ratio by 2030 for low-carbon compared to fossil fuels.

We hope to continue engaging with you and may look to take action in the future if you continue to finance fossil fuel expansion. This may include but is not limited to moving our accounts, in part or in whole; removing any benefits or promotions you receive from us; [or voting against you at your AGM.]

We know this is a growing issue on which well-known institutions have already taken action, and we may collaborate with partners where appropriate to drive action.

As a client [and a shareholder] we wish to meet with you to discuss this further. Please let us know your availability.

Yours faithfully,

NatWest

For the attention of the CEO, Paul Thwaite.

We are writing to you to register our deep concern at your financing of fossil fuel expansion.

Here, at [Institution], we have been a customer of your bank for [x] years, and we have £X in balances with you. [We also hold [x] number of shares in your organisation.] We appreciate the service you have provided us. However, your operations are at odds with our own values and mission.

As a [Institution type], our priority is [please input your own reasoning here]

We feel that this is an issue where we must use our voice appropriately. As a trusted institution, facing a climate emergency, we must maintain our integrity and commitment to a better world.

[If previous action taken on your own exposure to fossil fuels, please input here]

Since 2016, you have financed the fossil fuel sector that is driving the climate crisis with \$17bn. You have provided \$3bn of financing for the top 100 key oil, gas, and coal companies expanding fossil fuels in the same time frame. Any financing of fossil fuel expansion will derail any chance the planet has of achieving the 1.5C target.

This does not align with our values as an institution.

We acknowledge the steps you have taken so far, including exclusions on direct financing for new fossil fuel projects, and an Energy Supply Banking Ratio of 8.9:1.

However, your policies still allow you to provide general entity level finance to fossil fuel expanders, and your assessment of client transition plans needs to be tougher. There is much evidence from credible sources showing that oil and gas majors are not aligned to global temperature goals. We must transition away from fossil fuels as agreed at COP28.

We are asking that you:

1. **Put clients on notice that they must stop expansion activity** - NatWest should publicly serve notice to existing clients that are involved in fossil fuel expansion activity, that they will cease to provide any new finance to them unless they stop expansion and outline robust escalation routes if clients do not act. This must cover all forms of finance, including general corporate purpose finance, and capital markets

underwriting. NatWest should not provide any kind of finance to potential new clients which are involved in fossil fuel expansion.

2. **Exit relationships** - If existing clients do not act to stop fossil fuel expansion, NatWest should implement their escalation/exit strategies.

We hope to continue engaging with you and may look to take action in the future if you continue to finance fossil fuel expansion. This may include but is not limited to moving our accounts, in part or in whole; removing any benefits or promotions you receive from us; [or voting against you at your AGM.]

We know this is a growing issue on which well-known institutions have already taken action, and we may collaborate with partners where appropriate to drive action.

As a client [and a shareholder] we wish to meet with you to discuss this further. Please let us know your availability.

Yours faithfully,