

The Immigration Act, Bank Accounts & Refugees

Background

- Many asylum seekers and refugees (ASRs) struggle to open and operate bank accounts
- The regulations and laws around banking services are complicated, and make it harder for people from some countries to open and keep bank accounts
- The new Immigration Act makes this even harder

Aim of session

“To enable people supporting ASRs to understand more about the rules and regulations around financial services, so they can support them more effectively”

Session outcomes

By the end of the session you will

- know more about the rules and regulations governing banks
- understand how banks try to apply these rules
- understand how to gather information relating to ID and addresses
- feel more confident in supporting someone to open a bank account and to explain how the UK banking sector works

My first bank account

Talk to the person next to you about the first time you opened a bank account

- How old were you?
- Which bank was it?
- Did anyone help you?

Afterwards, tell the group your name, and a memory



Steps to opening a bank account

1. Customer identifies the bank/type of account
2. Customer gathers ID and proof of address
3. Bank checks proof of ID and address & conducts credit check/ own risk assessment
4. Bank agrees to open bank account
5. Customer uses bank
6. Bank monitors account



Interlude: some key concepts in banking

- Anti Money Laundering (AML)
- Know Your Customer (KYC)
- Financial Action Task Force (FATF)
- Non Cooperative Countries or Territories (NCCTs)
- “Suspect Territories”

What is money laundering?

- a) Rubbing the dirt off your trousers with some Euros
- b) Putting a load of dirty £20 notes on a spin cycle
- c) Handling or dealing with with money connected with criminal (inc terrorist) activities



When banks are told to “Know your Customer,” what does it mean?



- a) Take their customers for a meal to ask about their hopes, dreams and aspirations
- b) Do background checks on their customers to establish their ID
- c) Check their clients are not involved in illegal activities

Financial Action Task Force (FATF)

Are...

- a) A hardcore hip-hop ensemble based in Canary Wharf
- b) The new name for the World Bank
- c) An intergovernmental agency who coordinate AML, worldwide

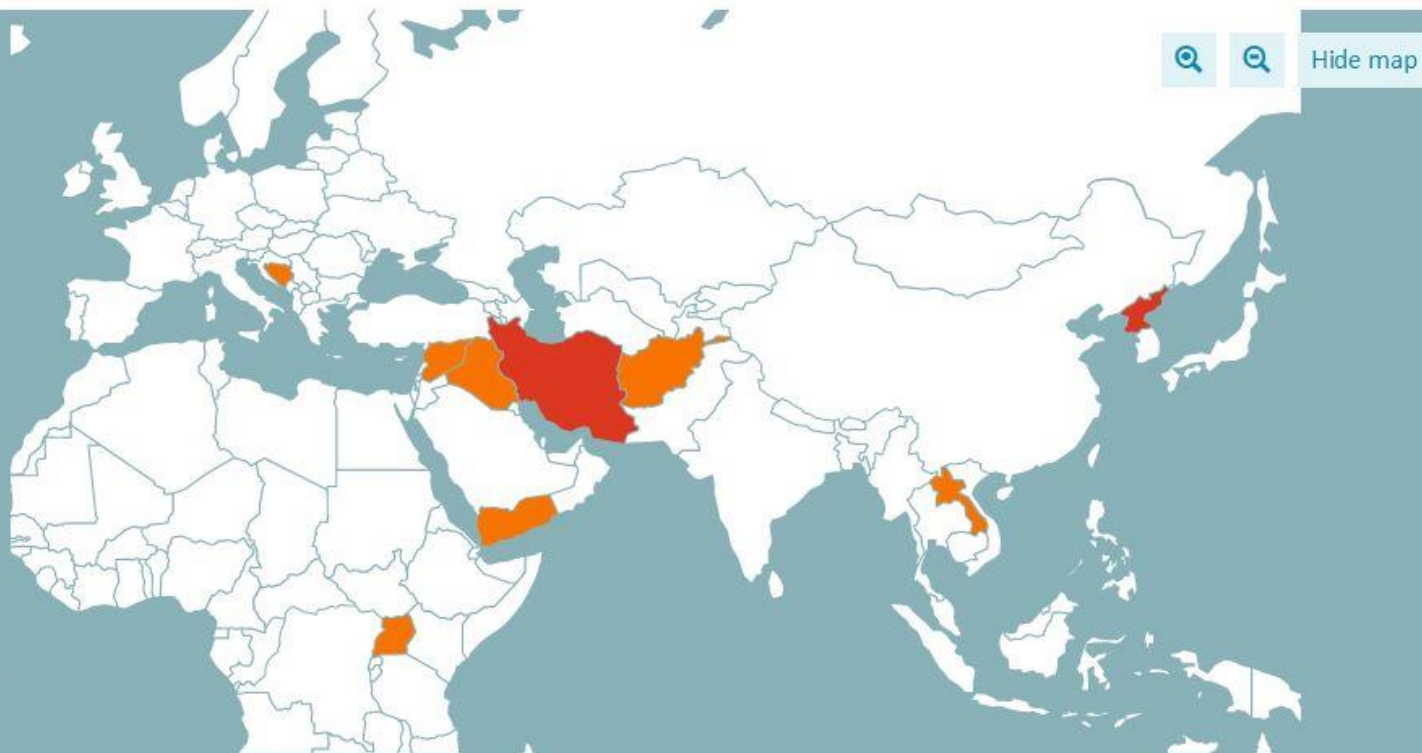


Non Cooperative Countries or Territories (NCCTs)

Show members of:

- FATF
- APG
- CFATF
- EAG
- ESAAMLG
- GABAC
- GAFILAT
- GIABA
- MENAFATF
- MONEYVAL

High-risk and non-cooperative jurisdictions

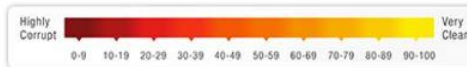
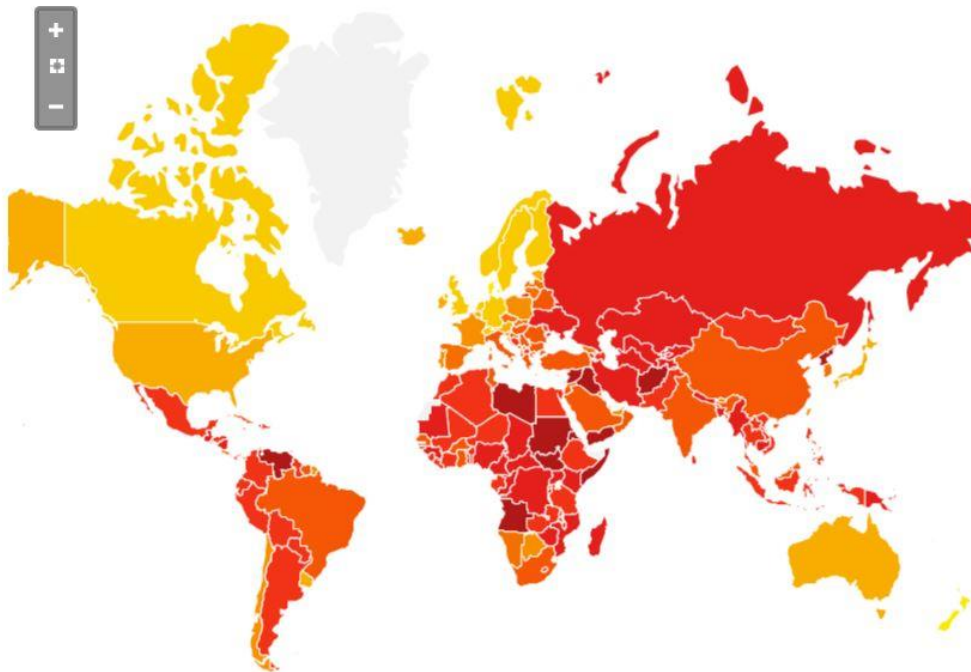


This map is for illustrative purposes and is without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or areas.

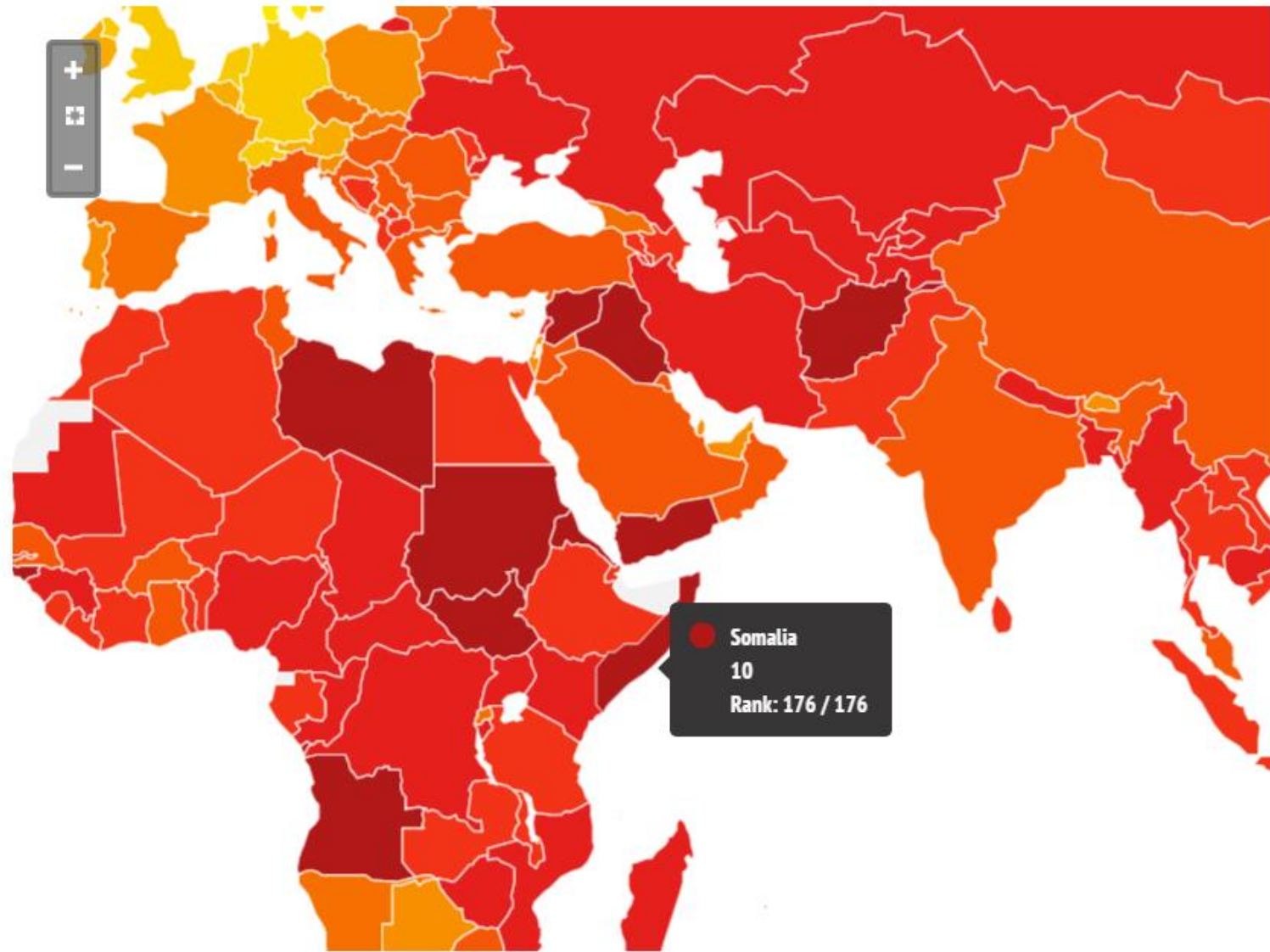
“Suspect Territories”

FAFT encourage financial institutions to use information from other agencies – like Transparency International – to help them decide the level of risk people from particular countries might pose.

CORRUPTION PERCEPTIONS INDEX 2016



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Due Diligence – End of the Interlude

- All financial orgs have a duty to prevent fraud & money laundering
- Stringent checks are applied to all new customers to prevent it
- Particular interest is shown in people from NCCTs
- This means meeting the ID requirements for Financial Services in the UK are particularly difficult for many migrants (not just ASRs)



Revision: key concepts in banking

- A--- M---- L----- (AML)
- K--- Y--- C----- (KYC)
- F----- A----- T--- F---- (FATF)
- N- C----- C----- or T----- (NCCTs)
- "S----- T-----"

Where were we? Steps to opening a bank account

1. Customer identifies the bank/type of account
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Customer gathers ID & proof of address

See the sheet attached

1. Gather info to back up a bank account application – use the appendix of the Prevention of Money Laundering Guidance
2. Be clear which docs are to prove ID and which ones are to prove address
3. Show you understand the rules they are working to



Bank checks proof of ID and address

Immigration Act 2014 (s40) introduced the duty on Banks & Building Societies to:

- check peoples' immigration status when they attempt to open a new accounts in order to
- ensure that applicants are not foreign nationals who require permission to be in the UK and who do not have it.



How do the new checks work?

- The Home Office pass info about individuals who are known to be unlawfully present in the UK and who are disqualified from opening a current account to CIFAS.
- Banks and building societies check applications against this CIFAS list



Refusal and right of appeal

- If the name address and date of birth match (with info from CIFAS), they **must** be turned down.
- If some but not all of it match (with info from CIFAS), they **may** be turned down.
- Applicants will be informed in writing of the decision to refuse, and the reasons for this refusal
- If Applicants believe a mistake has been made, they should take it up with the Home office
- For further info [click here](#)

Bank monitors account

Immigration Act introduced a duty for banks to continually assess and check the immigration status of their customers

If someone becomes “irregular” (due to their immigration status) the banks have the authority to close their account (and seize their assets)

This means people who have opened accounts can and will have them closed, when their immigration status changes

For more info [click here](#)

Immigration Act

- The purpose of the financial regulations contained in the Immigration Act is to remove financial services from people in the UK who do not have the right to remain.
- Inevitably, this will mean “failed” asylum seekers will have bank accounts closed, and assets seized.
- This is part of creating “an extremely hostile environment” for “irregular migrants.”

Exercise: split into 2 groups

Group A: What are the key things that matter to a bank when deciding whether to let you open a bank account with them?

Group B: What are the reasons a bank might say no to an application?

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