

## **Immigration Bill**

### **Factsheet: Bank accounts (clauses 35-38)**

#### **Immigration Minister Mark Harper:**

“We welcome those who wish to come here, work hard and make a contribution. But we need to take action to protect our public services and the benefits system from being abused by those who are here unlawfully.

“This legislation will stop illegal immigrants opening bank accounts and will help to prevent them accessing products such as credit cards, mortgages or mobile phones.

“By doing this we will deter illegal migration and encourage those with no right to be here to leave.”

#### **Background**

The Immigration Bill will introduce new rules to crack down on illegal migrants accessing banking products and services in the UK.

Many illegal immigrants are already stopped from opening bank accounts by existing identification and fraud requirements, but there is no specific rule to stop illegal migrants from opening an account in the UK.

The Bill will introduce a statutory requirement on banks and building societies who, for the first time, will be required by law to refuse customers who wish to open new current accounts where they have been identified as an illegal immigrant.

Making it more difficult to access financial services is part of a wider set of measures which are designed to deter illegal migration and encourage those who are required to leave the UK to do so.

Banks and building societies will face sanctions for breaching this requirement, with the Financial Conduct Authority given responsibility for ensuring ongoing compliance and enforcement. Further detail will be set out in secondary legislation.

#### **What we are going to do:**

- Ensure that known illegal migrants are not able to open current accounts, as part of a series of measures being introduced across government to deter those intending to work or stay illegally.
- Being refused a current account will also make it extremely difficult for the individuals concerned to access other lines of credit such as mobile phone contracts, credit cards or other types of loans (including a mortgage) which rely on a current account to make repayments.

- This will in turn assist in preventing illegal migrants from gradually building up a credit history and from illegally establishing a life in the UK.
- The measure is intended to provide a major additional deterrent to any new flow of illegal migrants to this country, and encourage illegal migrants who are already here to leave.

#### **How we are going to do it:**

- Banks and building societies will be required to undertake an immigration status check of any new applicant for a current account against an anti-fraud organisation or a data matching public authority designated by the Home Secretary for this purpose. These types of organisations include CIFAS, a leading anti-fraud organisation which already holds government data on tens of thousands of illegal migrants, from which there have been a significant number of matches against applications for financial products.
- The different categories of illegal migrants whose details will be forwarded to the specified organisation will only include those individuals who have exhausted all appeal rights, and who will therefore be liable for removal or deportation from the UK.
- A person is liable to be disqualified from opening a current account if they are physically present in the UK and require leave to enter or remain in the UK under the Immigration Act 1971 but do not have leave to be here. This could be because they never had such leave (they entered illegally), they did have such leave but stayed on after it expired or was revoked, or they could be a national of an EEA state who is subject to a deportation or exclusion order.
- If a bank or building society refuses to open a current account in accordance with the requirements of this Bill, it must inform the person of the reason, provided it can do so lawfully. This is intended to enable the person to obtain evidence of their lawful immigration status so they can then reapply for an account. However, the duty to inform is subject to any other provision that would prevent a bank or building society from communicating this information to the person.
- To ensure this measure is targeted effectively, and does not affect those who have a legitimate barrier which prevents them from leaving the country even if they do not have leave to be here, the Secretary of State will retain discretion whether an individual who has been identified as an illegal migrant should be referred to the anti-fraud organisation or data matching authority.
- In addition, the Treasury will take a power in the legislation to vary the type of institutions and accounts that can be included beyond current accounts offered by banks and building societies, to ensure that illegal migrants do not seek alternative providers or products.

#### **The Bill will benefit:**

- The financial sector and other providers of credit, such as the retail sector, will benefit because of the reduced risk of extending such credit to individuals who are likely to be removed from the country at short notice.
- The economy more generally will benefit because there will be a reduced demand for public services from illegal migrants who are deterred from remaining in the UK.

### **Next steps**

- If the Bill is passed and receives Royal Assent, the measure will be brought into effect by means of secondary legislation.

### **Q&A**

#### **Doesn't this mean banks are effectively being asked to act like border officials?**

No. These are simple checks and should be part of any bank or building society's due diligence. The checks do not require anyone working in a financial institution to become an immigration expert.

#### **What is the impact going to be on the children/dependents of illegal migrants who have the right to live in the UK?**

Illegal migrants who have children or other dependants who have the right to live in the UK have the option to attempt to regularise their status. Should migrants in that position try to do so they will not be affected by these proposals.

#### **How will the FCA regulate these requirements alongside their existing responsibilities?**

The Treasury will consult with industry and bring forward regulations to enable the Financial Conduct Authority (FCA) to monitor and enforce compliance with this measure by banks and building societies.

#### **Won't this measure just make it harder for legitimate customers to access financial services in the UK?**

The Government will ensure that the provisions avoid imposing undue burdens on industry and on those individuals who want to legitimately open an account.

**Home Office/HM Treasury  
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