

IMMIGRATION BILL – STATEMENT OF INTENT

Bank Accounts (clauses 35 - 38)

The bank accounts provisions in the Immigration Bill (currently clauses 35 and 36) are intended to prevent illegal migrants from opening new current accounts. Their purpose is to encourage such migrants to leave the UK by making it difficult for them to conduct financial transactions and access other lines of credit which require an account, and to prevent them from establishing a life in the UK unlawfully.

The effect of the provisions is that banks and building societies will be required to check the immigration status of applicants for new accounts with a specified anti-fraud organisation or data-matching authority to which the Home Office will have provided the details of migrants who are known to be in the country unlawfully. For many institutions, this process already forms part of the standard checks performed on new customers. If the check reveals the applicant is unlawfully present in the UK the application must be refused.

The Bill states that its provisions apply to those who require leave to enter or remain in the UK but do not have it. The Home Office will only forward details of migrants who have exhausted their appeal rights against refusal of leave to remain in the country or who are otherwise liable to be removed from the UK. Those with outstanding asylum applications or appeals will not be affected, nor will those who have been granted leave to be here, including refugees.

Banks and building societies will not be required to obtain additional documentary evidence from applicants as a result of these provisions beyond the checks they already conduct in the normal course of their business.

After the Bill receives Royal Assent the Secretary of State will make an order to specify the anti-fraud organisation or data matching authority to which data will be sent by the Home Office. It is intended that the organisation which should be specified for this purpose is CIFAS.

The Secretary of State intends to specify CIFAS because it is a leading anti-fraud organisation of which many banks and building societies are already members, and because it has demonstrated through practice that it has the capability to meet the demands that will be placed on it once the checking of applications becomes mandatory. The Home Office already works closely with CIFAS, to which it sends details of immigration offenders which are checked by many financial institutions on a voluntary basis. The Bill's provisions are sufficiently flexible to permit more than one organisation to be specified. At present there is no intention to specify another anti-fraud organisation in addition to CIFAS but this will be kept under review.