

IMMIGRATION BILL – STATEMENT OF INTENT

Bank Accounts (clause 47 and schedule 7)

The bank accounts provisions in the Immigration Bill (currently clause 47 and schedule 7) are intended to prevent known illegal migrants ('disqualified persons') from continuing to operate existing current accounts. They build on sections 40-43 of the Immigration Act 2014, which prohibit banks from opening new current accounts for such persons. The provisions are part of a number of measures designed to deny services to illegal migrants, making it difficult to establish a settled life in the UK illegally and encouraging voluntary departure.

The Bill sets out how the provisions will work. Banks and building societies ('banks') will be required to check details of their current account holders against details of disqualified persons supplied by the Home Office to a specified anti-fraud organisation or data-matching authority. They must notify any matches to the Home Office, which will check that the individual is still a disqualified person. The form and manner of the notification will be set out in secondary legislation.

Once a bank has made a notification, the Home Office will have the power to apply to a court for an order to require the bank to freeze any account it holds for the disqualified person. If a freezing order is not sought, the Home Office will notify the bank that it is under a duty to close any accounts it holds for that person.

A disqualified person must be a person who requires leave to enter or remain in the UK but does not have it. The Home Office will only share details of individuals who are liable for removal or deportation from the UK, such as those who have exhausted all appeal rights. The details of individuals with an outstanding application or appeal will not be shared. Banks will not be required to obtain additional documentary evidence from individuals 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 supplied by the Home Office to enable banks to make the check. 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, and because it already successfully acts as specified anti-fraud organisation to enable the bank accounts provisions in the Immigration Act 2014 to operate. Many banks and building societies are members of Cifas and those which are not are able to access Home Office data through a portal which Cifas has built and maintains on a cost-recovery basis. The Home Office has shared details of immigration offenders with Cifas since 2011 to assist financial organisations to protect themselves from fraud, and it has demonstrated through practice that it has the capability to meet the demands that will be placed on it by the new provisions.

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.