



Home Office

# **Guidance for banks and building societies on carrying out immigration checks on current account holders**

Immigration Act 2014

Version 2.0

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## About this guidance

This guidance assists banks and building societies to comply with statutory requirements under sections 40, 40A, 40B and 40G of the Immigration Act 2014 (as amended by the Immigration Act 2016).

Banks and building societies are prohibited from opening or operating current accounts for persons who are disqualified from accessing those services due to their immigration status. To find out whether individuals are disqualified, banks and building societies must check their customers' details against data on known unlawful migrants. The data is supplied to banks and building societies by the Home Office, via a specified anti-fraud organisation.

For information on a range of immigration documents that firms may encounter please see [Guidance on examining identity documents](#) and [Biometric residence documents: information for financial providers guidance](#).

## Publication

Below is information on when this version of the guidance was published:

1. version **2.0**
2. published on **10 March 2023**

## Changes from last version of this guidance

The formatting of this guidance has been updated for consistency with comparable documents published by the Home Office.

Various changes have been made in line with the [Government Digital Service Style guide](#).

### Related content

[Contents](#)

### Related external links

[Immigration Act 2014](#)

[Immigration Act 2014 code of practice: freezing orders \(bank accounts measures\)](#)

## Who is a disqualified person?

A person is disqualified from opening or operating a current account in the UK if the following all apply:

- they are in the UK
- they require immigration permission to be in the UK, but do not have it.

## Current account application checks

Section 40 of the Immigration Act 2014 requires banks and building societies to ensure they do not open a current account to a disqualified person.

To meet their duties under section 40 of the Immigration Act 2014, banks and building societies must check all applications for new current accounts from all adults (aged 18 or over). This includes current account applications in relation to which the customer is a signatory or is identified as a beneficiary. It also includes adding an individual as an account holder, signatory or identified beneficiary to an existing current account.

## Existing current accounts that should be checked

Section 40A of the Immigration Act 2014 requires banks and building societies to check existing current accounts to identify any that may be held by disqualified persons.

To fulfil their duties under section 40A of the Immigration Act 2014, banks and building societies must check all current accounts against the list of disqualified persons from the Home Office. The checks are to be made in respect of all signatories and known beneficiaries of these accounts.

Accounts are excluded from the requirement to check if they are operated by or for an individual who is acting, with respect to the account, for the purposes of a trade, business or profession.

## How banks and building societies should make the checks

The Home Office provides data to a specified anti-fraud organisation on persons disqualified from opening or operating current accounts. Banks and building societies must arrange to check prospective and existing current account holders or beneficiaries against this data. This will enable them to confirm whether an individual is permitted to open or operate a current account. The details of the specified anti-fraud organisation involved in sharing these data are set in secondary legislation.

Banks and building societies must conduct checks on existing current accounts quarterly.

## What to do if checks result in a match

A person is considered to have been matched under the provisions of the Immigration Act 2014 if there is at least a three-point match against the Home Office data on disqualified persons. A three-point match comprises the individual's name, date of birth, and at least one of the contact details for that person; namely either an address, telephone number or email address.

## Current account application

If checks against an applicant by a bank or building society result in a positive match, then the firm must refuse to open a current account for that individual. Where there is an application for a joint account with a non-disqualified person, the bank or building society must refuse to open a joint account but can open a sole account for the non-disqualified person in line with their usual processes.

The bank or building society must tell the disqualified person of the reason for refusal set out in the [Home Office leaflet: current account closed](#). The only exceptions are in cases where other restrictions apply, for example the account is subject to criminal investigations, such as money laundering.

Where checks result in a negative match, the bank or building society is not obliged to refuse the application. However, the bank or building society can make further enquiries of the customer. They can still refuse the application based on their commercial risk tolerance and policies.

## If the bank or building society believes there is an error with Home Office data

Should a customer provide compelling evidence that they are lawfully in the UK, the bank or building society should refer them to the contact details for the Home Office as provided on leaflets for customers. If the customer is no longer considered to be a disqualified person, the Home Office will amend its data and restrictions will no longer apply. The customer may then reapply for a current account and be subject to the bank or building society's decision-making criteria.

The bank and building society may also [contact the Home Office if required](#). They can do this by telephone or by email. This course of action should only be taken in exceptional circumstances, when there is a definite reason to believe an error has occurred. There is no requirement to make this check, and the default position should be to refuse the application where there is a positive match.

Contact with the Home Office for this purpose will only be through named staff nominated by the bank or building society. Banks and building societies should consult their internal procedures should they need to contact the checking service.

## Existing current accounts

If checks against an existing current account holder by a bank or building society result in a positive match, then they must notify the Home Office by downloading and completing the Notifications file. Firms should refer to the explanatory note contained within the notifications file for more information on the details to be included.

If checks by a bank or building society do not identify any matches, then there is no requirement to notify the Home Office of this.

## Home Office instructions in respect of matches against existing accounts

In order to confirm any match, the Home Office must undertake a secondary check of its records to ensure the individual concerned remains disqualified. The Home Office will then provide advice and instructions to banks and building societies in respect of all matches reported by means of a 'Responses' file on the secure Home Office IT portal. This will range from;

- advice that the customer is no longer considered a disqualified person,
- that accounts are to be treated as frozen upon the order of a court,
- that no further action is required until or unless further instructions follow from the Home Office, or
- a notification that the duty to close accounts applies.

## Freezing Orders

The Home Office will take a number of factors into consideration when deciding whether a freezing order is required. A code of practice (available [here](#)) sets out how these deliberations are to be made in respect of:

- whether to apply for a freezing order
- the variation or discharge of a freezing order

This code of practice also explains how a freezing order will be kept under review.

If a court makes a freezing order in respect of any account, the bank or building society must prohibit any person or body by or for whom the account is operated from making withdrawals or payments from the account. This will apply until the freezing order is discharged.

A freezing order may make provision for the disqualified person to meet his or her reasonable living or legal expenses. It may allow an individual who is not disqualified to make withdrawals or payments from the account.

## Closure of accounts

If the Home Office notifies a bank or building society of its duty to close an account via the Responses file on the secure Home Office IT portal, the bank or building society must do so as soon as reasonably practicable.

If any account is closed, a bank or building society can return any credit balance to the account holder in line with its terms and conditions, unless the account is under separate investigation or action.

The bank or building society may delay closure for a reasonable period to manage debt and the interests of third parties. The bank or building society can also comply with its statutory duties if it takes steps to prevent the account from being operated by the disqualified person, such as where steps are taken to restrict access where the disqualified person is a signatory or identified beneficiary, or the account is jointly held with a non-disqualified person, instead of closing the account.

The bank or building society may take reasonable steps to reassign the signatories and beneficiaries or provide an alternative account for remaining account holder(s).

The bank or building society must tell the customer of the reason for the account closure or prevention of its operation, if it can do so lawfully, as set out in the [Home Office leaflet: current account closed](#). In the case where the account has been held jointly, the bank or building society must only inform the disqualified person of the reason.

Following notification from the Home Office that it is subject to a statutory duty to close an account, banks and building societies must provide information to the Home Office about steps it has taken to comply with that duty. This information must:

1. be provided before the end of the financial quarter in which the steps were taken (with the exception that information about steps taken in the last two weeks of a quarter may be provided in the next quarter)
2. be provided by uploading an [Actions] file to the secure Home Office IT portal
3. include the name of the bank or building society providing the information, and the date upon which the information is provided

## What to do if an application for a current account is declined or an existing account is closed

If an application for a new account is declined or an existing account closed, the Immigration Act 2014 requires that an individual must be informed of the reason why. This is provided that informing the individual does not conflict with banks' or building societies' obligations under other legislation (such as the Proceeds of Crime Act 2002). Whether this will conflict with other obligations should be decided by the bank or building society on a case-by-case basis. In most cases, the individual will be aware that they are liable to or already subject to immigration enforcement action by the Home Office.

The Home Office has [prepared leaflets](#) which should be given to customers whose applications have been refused or whose accounts have been closed. Separate leaflets have been prepared for each eventuality, and they explain the reasons why action is being taken. The bank or building society may choose to use these leaflets as separate documents, or they may incorporate the wording within their own letters, but the text provided should not be altered. The leaflets inform customers that they should take the matter up with the Home Office if they believe a mistake has been made and are entitled to open or operate a current account.

## Contact details for the Home Office

Banks or building societies who are members of UK Finance or the Association of Foreign Banks UK can obtain Home Office contact details through these bodies or will already hold contact details. Other firms who do not have these contact details should contact the Home Office at [ISDBankingMeasures@homeoffice.gov.uk](mailto:ISDBankingMeasures@homeoffice.gov.uk).