

Access to bank accounts

This fact sheet provides information on who can and cannot open a UK bank account, what checks must be carried out for immigration purposes when opening a bank account, and when a bank account might be closed for reasons of immigration status.

Who is able to hold a UK bank account?

Until 12 December 2014 anyone in the UK who had proof of their identity and address could open a current account at a bank or building society. Doing so may have been difficult in practice, but there was no legal restriction. However, under provisions in the Immigration Act 2014 [1] the ability to open an account was limited to anyone with the right to reside, leave to remain, or an open immigration or asylum claim or appeal. In cases where an individual without leave to remain faces 'legitimate barriers' which prevent them from leaving the UK, the Secretary of State may 'exercise her discretion' and enable that person to open an account.

However, the rules will soon be made more restrictive – although the measures are not yet in force, and so the law has not yet changed. The Immigration Act 2016 requires banks to undertake immigration checks for those who hold current accounts, and to notify the Home Office if the customer does not have the correct legal status. [2] The relevant provisions of the 2016 Act are not yet in force and regulations will need to be written in order to regulate how these provisions will work in practice.

Who is not able to hold a UK bank account?

Since 12 December 2014 banks and building societies have been prohibited from opening new current accounts for certain categories of people. [3]

The Immigration Act 2014 provides that a bank or building society must carry out a 'status check' in relation to the immigration status of people applying for a new current account.

In most circumstances, a person is unable to open a current account if she or he does not have leave to

remain (is a 'disqualified person'). This includes individuals who:

- never had leave to enter or remain,
- had leave but stayed after it expired or was revoked, or
- are European Economic Area nationals with a deportation or exclusion order.

As well as not being able to open a new current account, disqualified people are also prohibited from:

- making applications for a new current account operated by a micro-enterprise or a charity (with an annual income under one million pounds),
- making applications for a joint account,
- making applications for an account to which that person is to be a signatory or a named beneficiary, and
- instances where the disqualified person is to be added to an existing account as an account holder, signatory or named beneficiary.

Documentation

In order to open a new current account an individual must prove their identity and their address. Having no credit history in the UK and no proof of address are, in practice, serious obstacles to setting up a new current account. [4]

Proof of identity

Each bank or bank or building society may have different rules regarding what documentation is necessary, and should indicate what needs to be provided when an application is first made. Normally this includes documents such as a passport, driving licence, statement or bill from a utility company, or document confirming rental or ownership of a property. Note that original documents should be provided in all cases.

For circumstances under which the requested documents cannot be provided, a bank or building society will often consider the following:

- an Application Registration Card (ARC) issued to asylum seekers
- an entitlement letter or Identity Confirmation issued by the government or a local authority if receiving benefits
- a letter from a care home manager or warden of sheltered accommodation or refuge
- a letter from the warden of a homeless shelter
- a letter from a probation officer or a hostel manager
- a letter from the prison governor
- for travellers, a letter from the local authority that verifies her or his address
- for international students: a passport or European Economic Area National Identity Card and letter of acceptance or of introduction from a body on the Department for Education and Standards list

Proof of address

The following documents can usually be used to prove a person's address in the UK:

- Utility bills: gas, water, electric, TV or landline phone bill (not mobile) that is less than three months old
- Local authority: a council tax bill issued within the current financial year (1 April to 31 March)
- Banking: a UK bank statement or credit card statement that is less than three months old (internet statements are not acceptable)
- Housing: a tenancy agreement or council rent book (must be current); a UK mortgage statement that is less than three months old (internet statements are not acceptable)

- Shopping: a catalogue or mail order statement that is less than three months old; a hire purchase statement of account
- Personal: a pension book; a UK photo card driving license with current address (paper counterpart no longer valid as of 8 June 2015); a medical card / NHS card
- Insurance: a motor insurance or home insurance certificate issued within the last 12 months.

When might a bank account be closed?

The prohibitions listed above do not apply to existing current accounts, unless a new account holder, signatory or identified beneficiary is being added. At present, banks and building societies have no obligation to carry out periodic checks of an account holder's immigration status.

However, there are significant changes coming into force in relation to immigration checks and current accounts. These will require banks and building societies to carry out checks on the immigration status of existing current account holders. Regulations are due to come into force bringing about these changes on **30th October 2017**. [5] As a result of these checks, an individual will have their account frozen or closed if they are found not to be eligible for a current account due to their immigration status. For further information, see the Home Office factsheet, at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/537220/Immigration_Act_-_Part_2_-_Bank_Accounts.pdf

How to appeal

If a bank or building society refuses an application for a current account under the provisions of the Immigration Act 2014, it must usually explain why. The duty to inform the person of the reason for refusal is to enable the person, if relevant, to contact the Home Office [6] if they consider that they are not, or should not be, disqualified from opening an account.

If a person has been turned down for a current account for another reason, for example, due to credit checks, it might be possible for them to open a basic

bank account. More information on this is provided by the Money Advice Service. [7]

NOTES

[1] Immigration Act 2014, Chapter 2, Sections 40-43, at <http://www.legislation.gov.uk/ukpga/2014/22/contents>

[2] Home Office, Immigration Act 2016, Factsheet – Banks (section 45)

[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/537220/Immigration Act - Part 2 - Bank Accounts.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/537220/Immigration_Act_-_Part_2_-_Bank_Accounts.pdf)

[3] These provisions do not apply to credit unions.

[4] Some bank or building society products are designed with specific categories of people in mind, including foreign students and those working in the UK temporarily.

[5] The Immigration Act 2014 (Current Accounts) (Excluded Accounts and Notification Requirements) Regulations 2016 (draft)

http://www.legislation.gov.uk/ukdsi/2016/9780111151150/pdfs/ukdsi_9780111151150_en.pdf

[6] See: <http://www.gov.uk/government/organisations/home-office#org-contacts>

[7] See:

<https://www.moneyadviceservice.org.uk/en/articles/basic-bank-accounts>

This fact sheet should not be used to give legal advice and is for information and guidance only. For advice on individual cases, assistance should be sought from an independent regulated legal adviser.

For further assistance contact our advice line by emailing: mcpadvice@coramclc.org.uk.