

Executive summary

The proposed dormant accounts legislation has the potential to create significant public benefit by providing the catalyst for many consumers to be reunited with their lost money and putting the remaining dormant funds to use for the public good.

In this work, in particular in the areas around consumer protection, the Commission has been working in partnership with the National Consumer Council. This is a joint report of the Commission on Unclaimed Assets and the National Consumer Council.

Reuniting customers with their money

According to our opinion poll, one in three adults in Britain believe they have a dormant account of some description. Despite some recent steps to make reclaiming dormant funds more accessible it remains far from easy. Current services appear to be reaching only a tiny fraction of the number of people that believe they may have an unclaimed asset.

We recommend the creation of a one-stop shop where consumers can go to reunite themselves with financial assets. We have proposed an outline for such an interface that we have called “UK Lost and Found”.

We welcome the announcement of an advertising campaign around reuniting customers with their assets. In addition, more can be done to ensure that customers are not lost initially. **We recommend that, as part of Treating Customers Fairly and Know Your Customer, financial institutions use more proactive means to locate customers that have “gone away” and cannot be contacted at their last known address.**

Putting the remaining dormant funds to the public good

Our opinion poll showed that, provided people can always reclaim their money, there is strong public support for dormant funds to be used for the public good. However, in order for this to occur, dormant funds have to be effectively identified. The proposed UK scheme is the only one in the world intended to operate on a voluntary or self-regulated basis.

It appears that substantial development is required if such a self-regulated framework is to be effective. **We recommend that the necessary measures include:**

- **Independent regulation for dormant accounts be set-up, located within an existing body.**
- **The regulator should have the power to require an external audit of compliance, to assess identification processes and systems, and audit the dormant accounts figures provided.**
- **There should be a senior individual within each financial institution who takes responsibility for the dormant account filing and transfer.**
- **Regulator's powers should include the ability to fine non-compliant institutions, make public statements regarding such non-compliance, and inform the Financial Services Authority (FSA) of any failures by responsible individuals.**

Our agreement with a voluntary or self-regulated scheme, as set out in the Treasury consultation¹, is dependent on these standards of regulation being met.

The Commission's work regarding the best use of dormant funds has already been published on 14 March, entitled "The Social Investment Bank: Its organisation and role in driving development of the third sector".

¹ "A UK Unclaimed Asset Scheme: a consultation", published by HM Treasury on 20 March 2007.