

Why do banks and building societies ask for proof of identity?

By law, all banks, building societies and other businesses providing financial services have to check the identity of anyone who wants to open an account or buy any financial product/service from them. This is one of the procedures that they have to undertake under the Money Laundering Regulations (which are law) to stop criminals from using them to launder money.

What is 'money laundering'?

'Money laundering' means the methods criminals use to hide and disguise the money they make from their crimes. The term 'laundering' is used because criminals need to turn their 'dirty' criminal money into 'clean' funds that they can use without causing suspicion. Getting it into the financial system means that it becomes harder to trace and confiscate. Drug traffickers, armed robbers, terrorists, burglars, tax evaders and people who defraud members of the public all need to launder the money they make from their crimes.

What has this got to do with bank and building society accounts?

Criminals use bank and building society accounts as the first step in the laundering process, often opening accounts using a false identity and address. They can then transfer the money to other accounts, here or abroad, or use it to buy other goods or services. It eventually appears to be like any legally earned money and becomes difficult to trace back to the crime from which it was made. The criminals can then spend the money or, as is often the case, use it to fund more crime. Banks and building societies not only have a legal duty to prevent this, but also are fundamentally committed to stopping criminals who want to use them to launder the money from their crimes.

How could this affect me?

Identity checks are an important defence against money laundering because they help prevent people from opening accounts using false identities. If the checks were not there, a criminal could falsely use **your** identity. Anyone who wants to open or use an account will be asked for proof of their identity and sometimes their address or date of birth. Whatever type of account you want or whatever you want to use your account for, checks will still need to be made.

The fact that these checks are carried out does **not** mean that you are suspected of money laundering. Criminals try to appear to be normal, law-abiding customers – for example, they may try to open a number of accounts using small amounts of money. So it is necessary for checks to be made on everyone. These checks will be necessary whoever you open your account with – whether it is a building society, a bank, a credit card company or a supermarket.

What proof of identity will I need?

The best documents are those that are issued by an official authority, cannot be easily forged and include a photograph. It needs to be checked that you are who you say you are. Typical items banks, building societies and other financial organisations may ask for are a current passport (or national ID card if you are from an EU country), a current photo card driving licence, a pension book or benefit book, or a council tax bill. However, other documents may be accepted – each bank or building society has its own arrangements. Some checks can also be made without asking you for proof (for example, checking the electoral register), but you will often be asked to provide some direct proof yourself.

Forms of identity

Banks or building societies usually want to see two separate forms of identification – one document to prove who you are and another document to confirm where you live.

The list below shows the type of documents that most banks and building societies will accept as forms of identity. However, some banks and building societies may accept some documents that others won't. As this can often change, you should contact the bank or building society directly about what they will or will not accept from you as proof of identity.

You will need to provide original documents – banks and building societies will not usually accept photocopies.

- Passport
- Driving Licence
- DWP benefit entitlement letter
- Utility bill
- NHS Medical Card (under 20 years old)
- Private tenancy agreement
- Council rent card
- Council tenancy agreement
- Credit card statement
- Credit card
- Housing benefit entitlement letter
- Council tax bill
- HMRC (Inland Revenue) letter
- Disabled drivers pass
- EU Member ID card
- Letter from person of responsibility (doctor, policeman, etc)
- Letter from existing account holder
- Letter from employer
- Firearms certificate
- Construction industry scheme card
- Residence permit
- Local Education Authority award letter (students only)
- National Insurance Number Card with P45/60
- Birth certificate
- Student Loans Letter
- Student Identification
- Armed forces identification card
- Home Office letter
- Pensioners' travel pass
- Motor or Home insurance certificate
- Vehicle registration document
- Television licence renewal notice.

Do I need to provide more proof if I want to bank by post, by phone or online?

Yes. You will need to provide extra proof if you want to open an account where the building society or bank does not meet you face-to-face. By avoiding face-to-face contact with branch staff, a criminal (or someone they are working with) has less risk of being identified later. So, extra proof or checks are needed when people ask to open these accounts.

What if I can't provide the documents you suggest?

Many people have genuine reasons for not being able to provide the recommended documents. For example, they may have never been abroad and so do not have a passport, may have never learnt to drive or their council tax bill may be in their partner's name. To help in these cases, all banks and building societies have procedures that allow them to accept other types of proof. These procedures may, for example, include a tenancy agreement with a housing association or a letter from the matron of a residential care home for elderly people.

Don't be put off by the suggestion that you should provide a passport or driving licence as proof.

These tend to be the forms of proof that banks prefer because they are official documents and most people can provide them, but they are not the only things a bank can use to check your identity. Discuss with a member of staff what sorts of documents you can provide. If necessary, the member of staff can refer your application to someone else in the bank or building society who is authorised to decide in exceptional cases.

Please remember that, by law, you must provide satisfactory proof of your identity. If you cannot do this, by law the bank or building society cannot open an account for you.

Can't the processes for checking identity be made simpler?

By law, banks and other financial organisations **must** have satisfactory proof of your identity. The proof they need may change from time to time – criminals are always looking for new ways of using other people's identities. The banks and building societies will continue to work with the government to make sure that the system is flexible enough to meet changing circumstances. Our aim is to make sure that everyone who is genuinely applying for an account can open accounts and use financial services. You can help by thinking about the documents you can provide and by discussing your situation with staff if you have difficulties.

Help prevent crime

Please help us to prevent crime by being patient when members of staff ask you to provide documents to prove your identity. You can also help prevent crime against yourself and other people by keeping your account details and documents confidential.

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Proving your identity



How measures to prevent money laundering affect opening an account