

documents. For example, they may have never been abroad, so do not have a passport, have never learnt to drive or their spouse may pay the council tax bill. To help in all these cases, all banks and building societies have procedures that permit other proofs of identity to be accepted. These procedures may, for example, include a letter from the matron of a residential care home for the elderly or a housing association tenancy agreement.

Discuss with a member of staff what sorts of documents you can produce. If necessary, the member of staff can refer your application to someone who is authorised to decide in exceptional cases.

Please remember though, the law requires that you must provide satisfactory proof of your identity. If you cannot meet this requirement, then under the law the bank or building society must not open an account for you.

The British Bankers' Association publishes a separate leaflet for international students and this is available from banks, universities and colleges.

Can't the bureaucracy be simplified?

The law requires that we have satisfactory proof of your identity. The proof needed may change from time to time – criminals are always looking for new ways of impersonating innocent parties. The banks and building societies will continue to work with the Government to ensure that the system is sufficiently flexible to meet changing circumstances. Our aim is to ensure that all **genuine** applicants can have access to accounts and financial services. You can help by thinking about the documents you can supply and by discussing your situation with staff if you have difficulties.

Help prevent crime

Please help us to prevent crime, and the laundering of the proceeds of crime, by being patient when staff ask you to provide documents to prove your identity.

You can also help prevent crime against yourself and others by maintaining the confidentiality of your account details and identity documentation.

Proving Your Identity

How money laundering prevention affects opening an account



BRITISH BANKERS' ASSOCIATION

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THE BUILDING SOCIETIES ASSOCIATION



BRITISH BANKERS' ASSOCIATION

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

Since 1994, when the Money Laundering Regulations became law, all banks, building societies and other businesses providing financial services have had to put procedures in place to stop criminals from using them to launder their 'dirty' money. This includes the need to obtain proof of identity from anyone who wishes to open an account or buy any financial product or service from them.

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 arousing 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 those who defraud members of the public all need to launder the proceeds of their crimes. All crimes that produce a financial benefit give rise to money laundering.

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

The first step in the laundering process for criminals is to get their money into an account with a bank or building society, often using a false identity and address.

They can then transfer it 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 its criminal past. They can then spend it, or as is often the case, use it to fund more crime.

Banks and building societies are not only required by law to prevent this, but they are determined to stop criminals who wish to use them to launder the proceeds of their crimes.

How could this affect you?

A key defence against money laundering is to prevent accounts being opened in false identities. Anyone wishing to open or operate an account will therefore 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 to make checks 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. A criminal could falsely use your identity if these checks are not in place.

What proof of identity will you need?

The best documents are those that are issued by an official authority, cannot be easily forged and include a photograph.



We need to check that you are who you say you are. Typical items we may ask for are a current passport (or national ID card if you are from an EU country), a current full 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 instance an Electoral Register check, but you will often be asked to provide some direct proof yourself.

Is more proof needed for a postal, telephone or internet account?

Any application to open an account where the building society or bank does not meet you face-to-face is likely to need more proof of your identity.

By avoiding face-to-face contact with branch staff, a criminal (or an accomplice) has less risk of being identified later. Additional proof or checks are therefore likely to be needed when such accounts are opened.

What if I can't provide the documents suggested?

There are exceptional procedures in place to help customers who cannot provide the preferred documents. Don't be put off by the mention of passports and driving licences. These tend to be the documents that are preferred because they are official documents and most people can provide them, but they are not the only way of enabling a bank to satisfy itself of your identity.

Many people have reasonable grounds for not being able to produce the recommended