

Government unlocks £150 million from dormant accounts for coronavirus response

- Building on the unprecedented £750 million charity support package from government
- £200 million of funding distributed by the National Lottery Community Fund, open for bids from small charities on Friday

The Culture Secretary has announced today (Wednesday 20 May) that £150 million from dormant bank and building society accounts is to be unlocked to help charities, social enterprises and vulnerable individuals during the coronavirus outbreak.

This includes accelerating the release of £71 million of new funds from dormant accounts alongside £79 million already unlocked that will be repurposed to help charities' coronavirus response and recovery.

The funding will support urgent work to tackle youth unemployment, expand access to emergency loans for civil society organisations and help improve the availability of fair, affordable credit to people in vulnerable circumstances.

Culture Secretary, Oliver Dowden said:

Charities and social enterprises are playing a vital role in our national effort against coronavirus.

This funding will support organisations that are at the heart of their communities, building on our unprecedented package of financial support for the voluntary sector.

Through our proposals to further expand the dormant assets scheme, we want to unlock hundreds of millions more pounds for good causes, while keeping customer protection at the heart of the programme.

Of the £150 million:

- £10 million will be brought forward for the [Youth Futures Foundation](#) to help organisations who support unemployed, disadvantaged young people across the country into jobs. They will be launching an Emergency Levelling Up Youth Fund to support young people from hardest hit communities; and will expand their Development and Impact grants programme to rapidly increase youth employment provisions.
- £45 million will be deployed by [Big Society Capital](#) to allow better

access to investment including emergency loans for charities, social enterprises and some small businesses facing cash-flow problems and disruption to their trading following the coronavirus outbreak.

- The demand for affordable credit is expected to rise substantially in light of the coronavirus outbreak. [Fair4All Finance](#) will use £65 million to support affordable credit providers to increase access to fair, appropriate products and services for those struggling financially, providing them with an alternative to high cost loans. This includes an expanded Affordable Credit Scale-up Programme and other initiatives for those in financially vulnerable circumstances.
- £30 million will go to [Access – The Foundation for Social Investment](#) who will support social enterprises helping people in vulnerable circumstances. They will make up to £10 million available for emergency support through social lenders while also developing a wider programme of recovery finance for the social sector. Both initiatives will work alongside Big Society Capital and other social lenders, and will enable a wider range of organisations to access affordable and flexible finance.

Since its launch in 2011, 30 firms – including all major high street banks – have voluntarily transferred funds from accounts that have been inactive for 15 years into the scheme and so far over £600 million has been distributed to good causes.

In addition to this funding, following the [Chancellor's announcement of an unprecedented £750 million package of support for frontline charities](#) during the coronavirus outbreak, the ["Coronavirus Community Support Fund"](#) distributed by The National Lottery Community Fund will open for applications this Friday, 22nd May.

£200 million worth of grants will be available for organisations who are supporting people and communities experiencing disproportionate challenges and difficulty during the pandemic, and those that provide services and support for vulnerable people and have seen an increase in demand or have lost income. Further funding will be committed and informed by emerging priorities, as the impact of the pandemic on vulnerable groups and charities is understood.

Funding from the Coronavirus Community Support Fund will start to reach frontline organisations within a few weeks. Applications to the Fund will be handled through The National Lottery Community Fund's well-established funding infrastructure, which they use to deliver around £500 million of grants to local organisations each year. A joint panel set up by DCMS and NLCF will advise on distribution of funding.

The Economic Secretary to the Treasury, John Glen, said:

This funding will provide vital support to some of the most vulnerable in our society, and comes on top of the unprecedented package we have put in place to help individuals, businesses and the economy through this difficult time.

“Thank you to the banks and building societies for taking part so we can continue to support so many good causes. I look forward to the potentially millions more we can unlock for good causes through expanding the Dormant Assets Scheme.”

The Government is currently [consulting](#) on expanding the dormant assets scheme to include a range of financial assets from the insurance and pensions, investment and wealth management, and securities sectors. The expansion has the potential to bring billions more pounds into the scheme.

Consumer protection will remain at the heart of an expanded scheme, with the priority continuing to be reuniting customers with their money. Only where this is not possible, following repeated, unsuccessful efforts to locate the asset owner, will funds be released to support good causes.

If at a later date a consumer discovers that they had a dormant account and their funds have been transferred into the scheme, they will also always be able to reclaim the full amount owed to them.

ENDS

Notes to editors

Read further information on [how organisations can apply to the £750 million charity support package](#)

Part of the package includes £370 million for small and medium-sized charities, made up of £310 million in England and £60 million to devolved administrations. In England, £200 million will be distributed by the National Lottery Community Fund. DCMS will review learning from the early distribution of the £200 million fund and evolving picture on the impact of the pandemic to inform decisions on the distribution of the remaining £110 million, so that funding is best utilised to address emerging priorities and opportunities.

There are [30 participating firms](#) in the dormant assets scheme, including HSBC Bank plc, Lloyds Banking Group, Nationwide Building Society, Royal Bank of Scotland, The Co-operative Bank plc.

The definition of a dormant bank or building society account is in the Dormant Bank and Building Society Accounts Act 2008: an account is ‘dormant’ at a particular time if the account has been open throughout the period of 15 years ending at that time, but during that period no transactions have been carried out in relation to the account by or on the instructions of the holder of the account.

The government is consulting on expanding the scheme to the following

sectors:

- Insurance and pensions
- Investment and wealth management
- Securities

You can read more information on the [consultation on expanding the dormant assets scheme](#) which closes on 16 July 2020.

Assets proposed to be within the scope of the expansion include:

- Dormant insurance policy proceeds
- Dormant share proceeds
- Dormant unit proceeds
- Dormant distributions and proceeds from investment assets
- Other dormant security distributions

The public consultation follows two industry-led reports. The 2019 report [The Dormant Assets Scheme: A Blueprint for Expansion](#) which builds on a [2017 report from the Commission on Dormant Assets](#)

Under the scheme, funds are held by Reclaim Fund Ltd (RFL). RFL is authorised and regulated by the Financial Conduct Authority, and holds sufficient money to cover any reclaims while distributing the surplus to The National Lottery Community Fund for social or environmental initiatives across the UK.