

# Measures to release £880 million from dormant assets to boost opportunities across the country

- Public consultation will launch in the summer to consider good causes to benefit from additional £880 million
- Proposals to include boosting investment in youth programmes, social enterprises and money management support

Youth activities, community projects and other good causes could benefit from an additional £880 million, following government action to unlock cash tied up in dormant assets.

The Dormant Assets Scheme – currently used by 35 banks and building societies to release £800 million – will be expanded to include the insurance, pensions, investment and wealth management, and securities sectors. The expansion of the scheme to unlock a further £880 million is part of the Dormant Assets Bill which is expected to receive Royal Assent today.

A consultation will be launched this summer to look at what causes should benefit in England to help level up opportunities for young people and communities across the country. Options include supporting young people following the government's recently announced '[National Youth Guarantee](#)', helping the national drive to support people struggling to manage their money, growing the social investment market, and addressing long-term funding to improve social infrastructure through community wealth funds.

The move follows the government's recent [Levelling Up White Paper](#) which set out plans to spread opportunity and prosperity to all parts of the nation.

Nigel Huddleston, Minister for Civil Society and Youth, said:

The expansion of this fantastic scheme will help change people's lives for the better.

We are doubling the financial support it can provide to support our recovery from the pandemic and level up communities.

I encourage eligible organisations to participate in this unique opportunity, which is also inspiring other countries, to contribute to positive societal change.

Since the launch of the scheme in 2011, participating banks and building societies have released more than £800 million from dormant accounts which

are open but have been inactive for at least 15 years.

Funds were released to the government-backed Reclaim Fund Ltd and directed to support frontline organisations in some of the most left-behind areas of the country. They have helped tackle social and environmental initiatives helping young people on the path to employment, problem debt and climate change.

The innovative scheme is now being replicated internationally, with Japan modelling its own new scheme on the UK's.

John Glen, Economic Secretary to the Treasury, said:

I am really pleased that the Dormant Assets Act has secured Royal Assent, which marks years of close collaboration with industry.

This Bill is estimated to unlock more than £880m over time to benefit communities right across the U.K. I'd encourage as many firms as possible to take part in the Scheme, so that even more genuinely dormant funds can be put to good use.

The expanded Scheme will continue to have consumer protection at its heart, with participants' first priority continuing to be reuniting people with their financial assets. Where this is not possible, more businesses will now be able to voluntarily transfer dormant assets to Reclaim Fund Ltd. People will still be able to reclaim their assets in full at any time.

Earlier this month, the Government announced that [communities and good causes across England have been allocated an additional £44 million through the Dormant Assets Scheme](#). The funding will be used to tackle youth unemployment, expand access to investment for charities and social enterprises, and help improve the availability of fair, affordable loans to people in vulnerable circumstances.

In May 2020 [£150 million was unlocked](#) to support the UK's charity and voluntary sectors' critical work during the COVID-19 pandemic 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.

ENDS

Notes to Editors:

The Dormant Assets Bill was tabled in Parliament in January 2021 following a five- year review.

Reclaim Fund Ltd (RFL) is a not-for-profit, executive non-departmental public body, sponsored by HM Treasury, established in 2011 following the enactment of the original Dormant Bank and Building Society Accounts Act 2008.

As the operator of the UK Dormant Assets Scheme, RFL's purpose is to unlock the potential of dormant assets to enhance communities and enrich lives and to date has received £1.44 billion from over 35 participating banks and building societies. RFL has released £800 million to social and environmental initiatives across the UK, whilst reserving 40% in order to safeguard the rights of dormant asset holders. RFL is authorised and regulated by the Financial Conduct Authority. For further information please visit the [RFL website](#).

The Dormant Assets Scheme has so far unlocked the following amounts to benefit social and environmental initiatives across the UK:

- £700 million in England
- £67.2 million in Scotland
- £37.7 million in Wales
- £22.4 million in Northern Ireland

Over the past decade, these four organisations have been allocated a split of the £700 million English portion of the Dormant Assets Scheme funding:

- Over £425 million has been used to establish [Big Society Capital](#), the world's first social investment wholesaler, with the aim of growing the social investment market in the UK.
  - Since the creation of BSC in 2012, the social investment market has grown almost eight-fold, increasing from £830 million in 2011 to £6.4 billion now.
  - £2.5 billion of capital from Big Society Capital and their co-investors is being used to support over 1,500 social enterprises and charities across the country.
  - Big Society Capital has grown social property funds from zero to £2 billion in 2018 and supported a tenfold growth of the UK charity bond market to £369 million.
  - 43% of investments are in the most deprived 20% of communities.
- £110 million has been provided to [Youth Futures Foundation](#) to break down the barriers to work for young people across England, with a focus on responding to the findings of the Racial Disparity Audit.
  - Since 2019, Youth Futures Foundation has worked to develop a targeted programme of work to generate change at a systemic level, bringing immediate and long-term benefits to young people who are not in employment, education or training.
  - This programme has supported nearly 18,000 young people from marginalised backgrounds to get good jobs, and committed £18.7million to over 140 organisations to build the evidence base of what works to inform youth employment policy.
- £100 million has been provided to [Fair4All Finance](#) to increase the financial resilience and wellbeing of people in vulnerable circumstances through improving the availability of fair and accessible financial products and services.
  - It has provided over £15 million in financial support to the community finance sector, including £12 million of equity investments in community finance providers and £3.6 million in coronavirus grants, alongside other financial support for people in

- vulnerable circumstances.
- Their Affordable Credit Scale up Programme is designed to support sustainable growth of community finance organisations through a combination of investments, grants and capacity and capability development. To date Fair4All Finance has committed £22.5 million to 10 community finance providers to support our shared ambition to deliver an additional £450 million – £700 million in affordable lending by 2025 so that more people have access to alternatives to high-cost credit.
  - Their scale-up programme support has gone to organisations serving customers in particularly left behind areas, such as £5 million to support the growth of Coventry-based Fair For You, which provides affordable loans to tackle furniture poverty across the UK with lending for essential household items such as appliances and beds. Since it was founded in 2015, Fair For You has generated £50 million of social value and has helped move 71% of its customers away from high-cost credit
  - In 2020 Fair For You provided £13.4 million in affordable loans to almost 40,000 customers.
  - £60 million has been provided to [Access – The Foundation for Social Investment](#).
    - It has invested £50 million of blended finance through the Growth Fund into social enterprises creating impact in local communities (often in more deprived regions).
    - This fund has invested more than half of its capital in the most deprived 30% of neighbourhoods in England, and a quarter in the most deprived 10% of neighbourhoods.
    - The Growth Fund now represents over one quarter of the entire social investment market by deals done and over two thirds of the market for deals done below £150,000 investment size. It will have invested in almost 800 organisations when it closes in 2022.

In Wales, £37.7 million has supported a variety of projects, including investing £16.3 million in young people, learning, education and employment; and £4.9 million in climate change action. Sustainable Steps Wales will invest a further £16.95 million over the next 18 months.

In Scotland, £67.2 million of funding has been allocated through the Young Start programme. Young Start makes grants of up to £100,000 to voluntary and community organisations for projects led by young people, which help them become more confident and realise their own potential. Between 2012 and 2021, The National Lottery Community Fund has made over 950 Young Start grants, to the value of £47.9 million

In Northern Ireland, £22.4 million dormant assets funding has been allocated to increase the capacity, resilience and sustainability of the voluntary, community and social enterprise sector via a Dormant Accounts Fund, which will provide multi-year, flexible support for the sector. Applications for the Fund opened in January 2021.