

# Press release: £2 billion boost set to transform charity and voluntary sector funding

The huge sum has the potential to further transform the charity sector, helping to improve communities and change lives. It was identified by the independent Dormant Assets Commission, which found untapped assets in products such as unclaimed insurance policies and pensions. They include:

- £715 million from investments and wealth management;
- £550 million from the pensions and insurance sectors;
- £150 million from securities;
- £140 million from banks and building societies.

It's expected these estimates could increase once the scheme is operational.

The Independent Dormant Assets Commission was set up in December 2015 to look at whether the current dormant asset scheme, which includes funds in banks and building societies, could be extended to other financial services. These include insurance products, stocks and shares, and pensions that have been classed as dormant.

The current scheme has already distributed £360 million from accounts to go towards supporting good causes. Extending it could deliver lasting change to the way voluntary and charity sectors are funded.

Ministers will now consider the report's findings in detail.

Minister for Civil Society, Rob Wilson, said:

This money could help change millions of lives across the country by helping good causes rather than gathering dust in dormant accounts.

The reason I set up the commission was to unearth new resources that would allow our charities and voluntary groups to become more sustainable and independent. But crucially also to deliver really important local services over the long term.

This is an example of an active government stepping in where it can make things better to the benefit of local communities and all concerned.

I'd like to thank the Commission, which has worked tirelessly with

the financial services sector on this report, and will study its findings closely.

Chair of the Commission Nick O'Donohoe, said:

Our report has found hundreds of millions of pounds lying dormant across a number of financial sectors which could be put to far better use. I am delighted we now have the potential to help good causes even more. I hope the financial sector now supports our ambition by contributing dormant assets benefit to an expanded scheme.

Good causes that have benefitted from the current dormant accounts scheme include Age UK's Reconnections programme in Worcestershire, which works to reduce loneliness and isolation in the area, and London's "Think Forward," which provides disadvantaged young people with opportunities in education, training and employment.

Other good causes include Harrogate Skills 4 Living Centre in Yorkshire, a residential care home for 90 adults with learning disabilities that offers adult education courses, 3SC Capitalise programme in Wales, a social impact bond that supports young people with dyslexia, and Harry Specters in Cambridgeshire, a chocolate maker social enterprise that creates employment for young people with autism.

Some of the other main recommendations of the report are:

- that customers should continue to be able to reclaim lost assets at any time;
- participation by firms in an expanded scheme should continue to be voluntary. However, If participation levels are low, the government should consider the reasons behind this and whether moving to mandatory participation in the scheme in the future would be appropriate; and
- the expanded scheme should retain the core principles of the current scheme but the way the scheme is managed should be revised to allow it to cope with the wider range of assets envisaged.

## **Notes to Editors**

1. The definition of a dormant bank or building society account is in the Dormant Bank and Building Society Accounts Act. An account is 'dormant' if it has been open throughout a 15 year period but during that period no transactions have been carried out in relation to the account by or on the instructions of the holder.
2. Customers in the current scheme are able to reclaim any lost assets at any time. The Commission recommend this is retained in any expanded scheme.
3. Following the introduction of the Dormant Bank and Building Society Accounts Act in 2008, Reclaim Fund Ltd (RFL) was established by the Co-operative Banking Group Limited to administer the process of the dormant

assets scheme.

4. Since the Dormant Accounts Scheme started in 2008, almost £1 billion of dormant accounts money has been identified. Of this, more than £360 million has been directed towards good causes across the UK.
5. Membership of the Commission on Dormant Assets: Nick O'Donohoe, Chair  
Richard Collier-Keywood Kirsty Cooper Gurpreet Dehal Sean Donovan-Smith  
Rachel Hanger Jackie Hunt Mark Makepeace Susan Sternglass Noble Martin  
Turner

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