

Press release: Government unlocking £330 million from dormant accounts to build a fairer society

- These include housing vulnerable people, helping disadvantaged young people into work and dealing with problem debt
- By 2020 the total distribution from dormant accounts to good causes will reach over half a billion pounds

Up to £330 million from dormant bank and building society accounts will be used to help the homeless, disadvantaged young people, local charities and other good causes in the UK over the next four years, Tracey Crouch, Minister for Sport and Civil Society, announced today.

Around £280 million will be allocated to initiatives across England to help disadvantaged young people into work, provide housing for families and vulnerable people, and tackle problem debt.

Of this, up to £135 million will be used by Big Society Capital (BSC) to fund stable and long-term accommodation for vulnerable groups such as homeless people and those suffering with mental health issues, as well as to provide support for local charities and social enterprises. This allocation meets existing funding commitments to Big Society Capital, who will use it to leverage substantial private co-investment, to maximise the impact of these funds.

Around £90 million will also be invested in support of projects that help disadvantaged young people into employment. These initiatives will be jointly designed by the Department for Digital, Culture, Media and Sport, the Department for Education and Big Lottery Fund with input from young people.

The remaining £55 million is set to be awarded to financial inclusion and capability initiatives which will tackle issues such as problem debt, as well as improving access to financial products and services for those on lower incomes.

Out of the £330 million, up to £50 million will be made available for good causes in Scotland, Wales and Northern Ireland and will be distributed by the Big Lottery Fund. Each devolved administration will then decide how these funds are used.

Tracey Crouch, Minister for Sport and Civil Society, said:

By unlocking millions of pounds from dormant accounts for a range

of good causes, we can make a real difference to lives and communities across the country.

This is part of the Government's commitment to building a fairer society and tackling the social injustices that hold people back from achieving their full potential.

I am grateful to the banks and building societies, as well as Reclaim Fund Ltd, for their work to free up these funds for good causes. Working in close partnership with the financial sector and civil society, we are determined to help create a country that works for everyone and build a Britain fit for the future.

The funding for social investment in England will also include £10 million for Access – the Foundation for Social Investment, BSC's sister organisation.

In a joint statement, Cliff Prior, Chief Executive of Big Society Capital, and Seb Elsworth, Chief Executive of Access said:

This capital will enable many more charities and social enterprises to improve the lives of people all around the UK, delivering larger and more innovative solutions in the focus areas of homes for people in need, and supporting communities experiencing disadvantage.

The Government will work closely with the Big Lottery Fund, as well as a range of social sector and private sector partners, to develop these initiatives over the next few months.

To help support the most vulnerable in society, the Government is already providing over £1 billion up to 2020 to reduce all forms of homelessness and rough sleeping. The Homelessness Reduction Act, the most ambitious reform in decades, is also being brought in to ensure people get the right support sooner.

Dawn Austwick, Chief Executive of Big Lottery Fund, said:

The Dormant Bank and Building Society Accounts Act has made over half a billion pounds available for good causes in the UK. The Big Lottery Fund is proud to be the organisation which distributes these funds and we look forward to working with Government and others to do this.

This funding will give people the opportunity to take the lead in making lasting and sustainable change in their lives and communities.

Adrian Smith, Chief Executive of Reclaim Fund Ltd, added:

We are delighted that this release will bring the total distributed from Reclaim Fund to Big Lottery Fund to more than £500 million in the first six years of the scheme. We will continue to work hard in ensuring that consumers can at any time reclaim money owed from their dormant accounts while working with the government to deliver further funds for good causes.

ENDS

NOTES TO EDITORS:

- For more information call the DCMS press office: 02072112210
- The definition of a dormant bank or building society account is in the Dormant Bank and Building Society Accounts Act: 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.
- Customers in the current scheme are able to reclaim any asset deemed dormant at any time.
- 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 accounts scheme.
- Since the Dormant Accounts Scheme was established in 2008, almost £1 billion of dormant accounts money has been identified. Of this, more than £360 million has so far been directed towards good causes across the UK.
- The estimation of £330 million is based on funds expected to be made available from dormant bank and building society accounts over the next four years under the current dormant account legislation.
- Today's announcement is based on funding expected to be made available under the current dormant accounts scheme only. In addition, the independent Commission on Dormant Assets made recommendations in March 2017 to Government on expanding the scheme to include a wider range of dormant financial assets. The Government is currently considering the Commission's recommendations and will respond in due course.
- The funding to social investment will meet the government's £100 million

commitment to Big Society Capital (BSC). In addition £35 million will be provided to BSC and Access Foundation to be innovative in helping increase the sustainability of the social investment market.

- The £90 million youth programme is being developed by the Big Lottery Fund, the Department for Digital, Culture, Media and Sport and the Department for Education. It will be designed through engagement with young people and experts across different sectors, including the youth, education, VCSE and business sectors. The Big Lottery Fund will set out plans for engagement in early 2018.

About Big Lottery Fund:

Big Lottery Fund uses money raised by National Lottery players to help communities achieve their ambitions. From small, local projects to UK-wide initiatives, our funding brings people together to make a difference to their health, wellbeing and environment. Since June 2004 we have awarded £8.5 billion to projects that improve the lives of millions of people.