



Dormant Assets Bill [HL]

HL Bill 3 of 2021–22

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On 26 May 2021, the second reading of the [Dormant Assets Bill \[HL\]](#) is scheduled to take place in the House of Lords.

Summary

A dormant asset is a financial product that has not been used for many years and which the provider has not been able to reunite with its owner. The Dormant Bank and Building Society Accounts Act 2008 established a scheme that distributes such assets from bank and building society accounts to good causes, while retaining funds to meet any future claims on them. Accounts must be dormant for 15 years to be transferred to the scheme. It has so far distributed £745 million.

The bill's purpose is to extend this scheme to a range of other financial assets, including long-term insurance, pensions, collective investment schemes, client money and securities assets. The Government estimates this could generate a further £880 million for good causes.

The scheme operates on three main principles:

- **reunification first:** a firm's first priority is to trace and reunite people with their assets;
- **full restitution:** at any point, asset owners can reclaim the amount that would have been due to them had a transfer into the scheme not occurred; and
- **voluntary participation:** firms can choose whether to contribute to the scheme and to what extent.

These would remain unchanged under the bill, as would much of the scheme's operational detail. However, each new category of asset would have its own tailored definition of dormancy. Other measures in the bill include:

- **providing the Government with the power to bring further assets into the scheme** through secondary legislation, rather than through further primary legislation;
- **making it a requirement for firms participating in the scheme** to make attempts to reunite assets with their owners; and
- **removing some restrictions** on how the assets are distributed to good causes in England.

The bill follows a series of reviews and consultations on the scheme. These have included a report by 'industry champions', to ensure that changes are led by the financial services industry.

The Labour Party has been reported as welcoming the changes, saying that they were "long overdue".

I. Overview of the bill

The [Dormant Assets Bill \[HL\]](#) was introduced into the House of Lords on 12 May 2021 and is due to have its second reading on 26 May 2021.

An existing dormant assets scheme facilitates unclaimed cash deposits in bank and building society accounts being distributed to good causes. The bill would expand the scheme to a wider range of financial products. It would also amend the approach for distributing dormant assets in England.

I.1 What are dormant assets?

The Government defines a dormant asset as:

A financial product, such as a bank account, which has not been used for many years, and which the provider has been unable to reunite with its owner despite efforts aligned with industry best practice.¹

I.2 Why should dormant assets be distributed to good causes?

In 2017, the Dormant Assets Commission made the case for why such assets should be made available to good causes:

From a public-interest perspective, it does not seem right that dormant assets should reside indefinitely with firms. Where it is not possible to reunite dormant assets with their rightful owners, there is a strong argument that these assets should be used for good causes and public benefit.²

I.3 What is the existing dormant assets scheme?

An existing dormant assets scheme was established by the Dormant Bank and Building Society Accounts Act 2008 (the 2008 act).³ It covers bank and building society cash accounts only.

The Government said the scheme operates according to three key principles:

- **reunification first:** participants' first priority is to trace and reunite people with their assets;
- **full restitution:** asset owners are able, at any point, to reclaim the amount that would have been due to them had a transfer into the scheme not occurred; and
- **voluntary participation:** potential participants can choose whether to contribute to the scheme and to what extent.⁴

¹ Department for Digital, Culture, Media and Sport et al, '[The dormant assets scheme](#)', 18 January 2021.

² Commission on Dormant Assets, [Tackling Dormant Assets: Recommendations to Benefit Investors and Society](#), 3 March 2017, p 6.

³ *ibid.*

⁴ HM Treasury and Department for Digital, Culture, Media and Sport, [Consultation on Expanding the Dormant Assets Scheme](#), 21 February 2020, p 5.

The scheme was set up by the financial services industry, supported by the Government. It is administered by a company called Reclaim Fund Limited (RFL). RFL was originally part of the Co-operative Group but has recently changed ownership to become a non-departmental public body (see section 3 below).

RFL manages the scheme by determining how much it needs to retain to meet future reclaims from asset owners. It then passes the surplus to the National Lottery Community Fund (TNLCF).⁵ In turn, TNLCF distributes the money to good causes. Funding is apportioned between England (84%), Scotland (8%), Wales (5%) and Northern Ireland (3%), in line with the Barnett formula for funding the devolved administrations.⁶

The 2008 act states that dormant assets must be used for causes that have a “social or environmental purpose”.⁷ Within these parameters, the act provides that the Scottish, Welsh and Northern Ireland administrations can provide directions on the types of organisations that can receive funding in their jurisdiction. However, for England, the act further specifies that the funds must be directed to youth projects, financial inclusion or social investment.⁸

The definition of dormancy for bank and building society accounts set out in the 2008 act and used in the current scheme is, broadly, that no transactions have been carried out on the account for 15 years.⁹

In January 2021, the Government said the scheme had received £1.35 billion in dormant assets and had released £745 million to TNLCF.¹⁰ The Government also states that around 7.5% of all assets transferred to RFL have been reclaimed by customers.¹¹

RFL’s running costs to date have been covered by investment returns on the assets it administers.¹²

1.4 How would the bill change the scheme?

The bill would expand the scheme to cover a wider range of financial assets. These are summarised in clause 1 of the bill as:

- long-term insurance policies, such as endowment savings products, term assurance, whole-of-life and investment bonds;¹³

⁵ HM Treasury and Department for Digital, Culture, Media and Sport, [Consultation on Expanding the Dormant Assets Scheme](#), 21 February 2020, p 4.

⁶ [Explanatory Notes](#), p 5. For more information on the Barnett formula, see: House of Commons Library, [The Barnett Formula](#), 6 January 2020.

⁷ Dormant Bank and Building Society Accounts Act 2008, section 16.

⁸ *ibid*, section 18.

⁹ *ibid*, section 10.

¹⁰ HM Treasury and Department for Digital, Culture, Media and Sport, [Government Response to the Consultation on Expanding the Dormant Assets Scheme](#), 9 January 2021, p 2.

¹¹ Department for Digital, Culture, Media and Sport and HM Treasury, [‘Dormant Assets Bill: factsheet one: bill overview’](#), 13 May 2021.

¹² Adrian Smith, [‘Expanding dormant assets scheme will help tackle financial exclusion’](#), FT Adviser, 15 July 2020, p 2.

¹³ The examples are taken from: HM Treasury and Department for Digital, Culture, Media and Sport, [Consultation on Expanding the Dormant Assets Scheme](#), 21 February 2020, pp 8–10.

- certain pension assets, such as income drawdowns and money purchase personal pensions;
- collective investment schemes;
- client money; and
- proceeds or distributions from shares in traded public companies (“securities assets”).

For each type of asset, the bill sets out a definition of dormancy that is tailored to the asset class.¹⁴ It also sets how the general principles of the scheme apply to that asset, some operational details, and what types of institution can be part of the scheme.

The Government estimates bringing these asset classes into the scope of the scheme would release a further £880 million for good causes.¹⁵

The bill would also provide the Government with the power to bring further assets into the scheme through secondary legislation, rather than further primary legislation.

Other changes that would be introduced by the bill include:

- Making it a requirement for firms that are part of the scheme to make attempts to reunite assets with their owners.
- Repealing the part of the 2008 act that provides more detailed specification on how dormant asset funds must be used in England. Instead, it allows the Government to propose secondary legislation. This would bring England into line with the rest of the UK.
- Making certain changes to reflect RFL being reclassified as a public body.

2. Consultation and pre-legislative process

The bill follows a series of reports and consultations reviewing the operation of the scheme.

2.1 Post-implementation review of the 2008 act (2014)

In 2014, a post-implementation review of the 2008 act found that the dormant assets scheme was “working well”.¹⁶ In particular, the review noted that the largest banks and building societies had opted into the main scheme, so that its members held over 90 percent of personal deposits in the UK.¹⁷ In addition, it found that banks and building societies had been effective in tracing dormant account holders and in meeting any reclaims.¹⁸

¹⁴ Department for Digital, Culture, Media and Sport and HM Treasury, ‘[Dormant Assets Bill: factsheet one: bill overview](#)’, 13 May 2021.

¹⁵ Cabinet Office, [The Queen’s Speech 2021: Background Briefing Notes](#), 11 May 2021, p 119.

¹⁶ HM Treasury, [Review of the Dormant Bank and Building Society Accounts Act 2008](#), 27 March 2014, p 6.

¹⁷ *ibid*, p 5. The list of current members can be found at: Reclaim Fund Limited, ‘[The main scheme](#)’, accessed 14 May 2021.

¹⁸ HM Treasury, [Review of the Dormant Bank and Building Society Accounts Act 2008](#), 27 March 2014, p 9.

2.2 Dormant Assets Commission (2016 to 2017)

The independent Dormant Assets Commission was established in March 2016.¹⁹ Its aims were “identifying new pools of dormant assets and working with industry to encourage the contribution of these assets to good causes”.

The commission reported in March 2017.²⁰ It found that the existing scheme was considered a success, because:

It has encouraged banks to work harder to reunite dormant assets with their owners, while at the same time it has identified and freed up a substantial sum of money for good causes.²¹

The commission’s findings and recommendations included:²²

- The core principles of the existing scheme, as set out in section 1.3 above, should be retained.
- Whether sufficient efforts were being made by firms to reunite customers with dormant assets was a “significant issue”.
- A “broad range” of UK-domiciled financial products was suitable for immediate inclusion in the scheme. Other products should be revisited in the future.
- There would need to be different definitions of dormancy for different assets.
- Further work was needed on how to calculate the reclaim value of non-cash assets.
- If participation in the expanded scheme was low, the Government should consider making membership compulsory.
- There were some non-financial sector assets where dormancy may exist, for example utility refunds and unclaimed gambling winnings. However, the commission concentrated on the financial sector, which it said held the “greatest value and most readily accessible pool of potentially dormant assets”.
- RFL should remain the single reclaim fund for the scheme, but it should be reconstituted. The commission said that as a subsidiary of a private company (as it then was), it may have incentives to over-reserve for reclaims, resulting in lower distributions to good causes.
- New or amended legislation would be required to implement these recommendations.

The commission outlined a number of factors it considered in deciding whether a particular asset should be included in an expanded scheme; for example:²³

- the proportion of the asset type that was potentially dormant;
- the legal vehicles in which the assets are held;
- the current arrangements, if any, for dealing with dormancy; and
- the challenges of ensuring that a reclaim fund could provide restitution in the event of a reclaim.

¹⁹ Independent Dormant Assets Commission, ‘[About us](#)’, accessed 13 May 2021.

²⁰ Commission on Dormant Assets, [Tackling Dormant Assets: Recommendations to Benefit Investors and Society](#), 3 March 2017.

²¹ *ibid*, p 7.

²² *ibid*, pp 8–14 and 98.

²³ *ibid*, p 9.

The Government's response to the commission confirmed its support for extending the scheme while retaining its core principles. The response stated:²⁴

- There was “significant potential to expand the dormant assets scheme to a wider range of asset classes”.
- Changes should be led by industry, supported by government, including to introduce legislative change where required.
- Expansion of the scheme was likely to be phased, given different levels of complexity across asset types and industries.
- There was “merit” in the commission's recommendation that RFL should become structurally separate from its then owner, the Co-operative Group.

The response committed to appointing “industry champions” to lead further work on changing the scheme. It also said it would discuss the governance structure of RFL with the Co-operative Group.

2.3 Industry champions' report (2018 to 2019)

The industry champions were appointed in June 2018.²⁵ Their report, published in April 2019, recommended a phased approach to expanding the scheme, as follows:²⁶

- **Phase 1:** legislative changes, implementing standard practices in sectors new to the scheme, and deepening participation in the current scheme.
- **Phase 2:** transferring the new dormant assets to the scheme.
- **Later phases:** expanding the scheme further to include more complex assets.

The report also explored the details of how an expanded scheme could operate. For example, it proposed definitions of dormancy for each sector. It also considered other technical issues, such as legislative and regulatory implications and how the transfer of assets to RFL, as well as reclaims, could work in practice.

2.4 Government consultation (2020)

In February 2020, the Government consulted on expanding the scheme.²⁷ It reaffirmed the three main principles of the scheme and also its operational practices, such as the definition of dormancy for bank and building society accounts.²⁸ It stated that “the ways in which dormant assets funding can be distributed, allocated and directed will remain unchanged” and was therefore out of the scope of the consultation.

²⁴ Department for Digital, Culture, Media and Sport et al, [Government Response to the Commission on Dormant Assets' Report on Tackling Dormant Assets: Recommendations to Benefit Investors and Society](#), 16 February 2018, pp 2–3 and 7.

²⁵ Department for Digital, Culture, Media and Sport et al, '[Dormant Assets Scheme bolstered by industry leaders](#)', 3 June 2018. The champions were: Kirsty Cooper (insurance and pensions); Simon Kenyon (banking); William Nott (investment and wealth management); and Robert Welch (securities).

²⁶ Department for Digital, Culture, Media and Sport and HM Treasury, '[The dormant assets scheme: a blueprint for expansion](#)', 4 April 2019, p 4.

²⁷ HM Treasury and Department for Digital, Culture, Media and Sport, [Consultation on Expanding the Dormant Assets Scheme](#), 21 February 2020.

²⁸ *ibid*, p 7.

The Government recommended adding various asset classes to the scheme.²⁹ The list was similar to that which appears in the final bill. However, it excluded pension assets, such as personal pensions, income drawdowns, and deferred and guaranteed annuities, despite these being recommended for inclusion by the industry champions. The Government suggested excluding these because of changes to the pensions landscape, such as the introduction of pensions dashboards and the introduction of automatic enrolment, that it said needed time to fully develop.³⁰

2.5 Consultation response (January 2021)

The consultation closed in July 2020. The Government response, published in January 2021, said responses showed “widespread support” for expansion of the scheme into other parts of the financial sector.³¹

Based on consultation responses, which supported the industry champions’ report, the Government added certain pension assets that crystallise in cash in the list of assets to be included in the scheme.³² Respondents argued, for example, that pensions dashboards would interact positively with the scheme, by helping to ensure that only genuinely dormant assets were transferred. However, the Government said that it was still concerned about the interaction with automatic enrolment. Therefore, it said pension products would only be included in “specific and tightly prescribed circumstances”.

The Government estimated that, initially, there may be an additional £3.7 billion of dormant assets in total in the new categories proposed in the bill.³³ Of this sum, it said that £2 billion might be returned to their owners as a result of enhanced tracing efforts, with the remaining £1.7 billion transferred to the scheme. Based on RFL’s existing reserving policies, it suggested that £880 million could be released to good causes.

The Government also said that, although out of the scope of the consultation, some responses made recommendations for how future dormant assets funds could be spent. It said that it would “consider whether this is an area that should be reviewed”.³⁴

3. Establishment of Reclaim Fund Limited as a public body

On 30 March 2021, the ownership of RFL moved from the Co-operative Group—now renamed Angel Square Investments—to HM Treasury.³⁵ It is now categorised as a non-departmental public body. The change of ownership followed a review by the Office for National Statistics in

²⁹ HM Treasury and Department for Digital, Culture, Media and Sport, [Consultation on Expanding the Dormant Assets Scheme](#), 21 February 2020, pp 8–10.

³⁰ *ibid*, pp 10–11. For more information on pensions dashboards and automatic enrolment, see: Pensions Dashboards Programme, [‘Homepage’](#); and The Pensions Regulator, [‘About automatic enrolment’](#), accessed 17 May 2021.

³¹ HM Treasury and Department for Digital, Culture, Media and Sport, [Government Response to the Consultation on Expanding the Dormant Assets Scheme](#), 9 January 2021.

³² *ibid*, pp 16–17.

³³ *ibid*, p 4. The Government provided a breakdown of the figures by type of asset in a written answer in April 2021: House of Lords, [‘Written Question: Dormant Assets Scheme’](#), 19 April 2021, 179699.

³⁴ HM Treasury and Department for Digital, Culture, Media and Sport, [Government Response to the Consultation on Expanding the Dormant Assets Scheme](#), 9 January 2021, p 4.

³⁵ Reclaim Fund Limited, [‘RFL moves to new ownership structure’](#), accessed 14 May 2021.

September 2019 that reclassified RFL as part of the central government subsector.³⁶

The Government said that RFL's funds remain separate from government funds, and HM Treasury does not have access to dormant assets money.³⁷ Surplus funds continue to be transferred to TNLCF.

4. Bill provisions

4.1 Part 1: dormant assets scheme (clauses 1 to 18)

The first part of the bill provides an overview of the operation of the dormant assets scheme, followed by details of how it will operate for each of the new asset classes the bill would add to the scope of the scheme.

Overview (clause 1)

Clause 1 states that the purpose of the scheme is to:

Enable an authorised reclaim fund [...] to release funds derived from transfers to it for distribution in accordance with Part 2 of the 2008 Act [...] while ensuring that the reclaim fund is able to meet its obligations as they arise.

It includes certain principles of operation of the scheme, such as that when an institution transfers assets to the fund, the customer's claim against the institution becomes a claim against the fund.

The bill then provides a summary of the asset classes that would be covered by the expanded scheme. These include the existing category of bank and building society assets plus the five new classes, set out in section 1.4 above and described in more detail below.

Clause 1 also allows for an alternative scheme for smaller institutions, whereby they can transfer proceeds to local charities, to continue. This alternative scheme is also operated by RFL and is currently used by two institutions.³⁸ The scope of the alternative scheme will not be extended to include the new assets.³⁹

Long-term insurance assets (clauses 2 to 4)

Clauses 2 to 4 would apply the general principles of the scheme to long-term insurance assets. They also set out detailed proposals for how this would operate in practice.

Clause 2 includes a definition of insurance companies that could use the scheme. This excludes mutual insurers.

³⁶ Reclaim Fund Limited, '[RFL moves to new ownership structure](#)', accessed 14 May 2021.

³⁷ [Explanatory Notes](#), p 5.

³⁸ Reclaim Fund Limited, '[The alternative scheme](#)', accessed 14 May 2021.

³⁹ [Explanatory Notes](#), p 15.

Clause 3 specifies that the assets to be transferred would be the cash proceeds of a contract, plus interest, minus fees and expenses. Thus, a non-cash asset would have to be converted to cash before the transfer. The clause also sets out contracts that would be excluded, which are with-profits policies, industrial assurance policies, those subject to a trust and lifetime ISAs.

Clause 4 sets out the proposed definition of dormancy for long-term insurance assets. This is that any one of the following four conditions are met:

- The policyholder has died and the insurer is satisfied there is nobody to whom the proceeds are payable.
- Seven years have passed since the insurer was notified of the policyholder's death and the insurer has not been contacted by the administrators of the estate or the beneficiary.
- The policyholder would be at least 120 years old and, in the previous seven years, the insurer has not been contacted by administrators of the estate or the beneficiary.
- The period of the contract ended at least seven years previously and the insurer has not been contacted by the beneficiary, or anyone acting on their behalf, in that time.

Pension assets (clauses 5 to 7)

Clause 5 would apply the general principles of the scheme to pension assets and, again, would exclude mutual insurers from the institutions that can be members of the scheme.

Clause 6 would define the types of policy available to transfer. These are benefits in the form of income withdrawal from a personal pension, and personal pensions, either already payable or available to become payable. Again, the bill would exclude policies in with-profits form.

Clause 7 sets out the proposed definition of dormancy for pension assets. This is that any one of the following four conditions are met:

- The policyholder has died and the pension provider is satisfied there is nobody to whom the proceeds are payable or who is entitled to receive payment.
- Seven years have passed since the provider was notified of the policyholder's death and the provider has not been contacted by the administrators of the estate, the beneficiary or any potential beneficiary.
- The policyholder would be at least 120 years old and, in the previous seven years, the provider has not been contacted by administrators of the estate, the beneficiary or any potential beneficiary.
- Pension benefits became payable at least seven years previously because the contract ended and the provider has not been contacted by the beneficiary, or anyone acting on their behalf, in that time.

Investment assets (clauses 8 to 11)

Clause 8 would apply the general principles of the dormant assets scheme to collective scheme investment assets.

Clause 9 would define the types of asset available to transfer. These are any monies held in, or distributions from: authorised open-ended investment companies (OEICs); authorised unit trusts; and authorised contractual schemes. Again, assets held in lifetime ISAs would be excluded from the scope of the scheme.

Clause 10 sets out the proposed definition of dormancy for investment assets. This is that either of the following conditions is met:

- For share or unit conversion proceeds, the asset manager regards the person to whom the proceeds are payable as 'gone-away' throughout the preceding 12 years.
- For amounts other than share or unit conversion proceeds, the asset manager regards the person to whom the proceeds are payable as 'gone-away' throughout the preceding six years.

The clause proposes that an asset manager may regard a person as 'gone-away' throughout a period if the manager has received no communication from that person (or someone on their behalf) during that period. The explanatory notes state this is a standard industry term and there are established indicators that may be considered when determining if an owner is gone-away.⁴⁰

Clause 11 states that the reclaim amount that would be available from the scheme would be the same as if the transfer to the scheme had not occurred, with allowance for interest and fees.

Client monies (clauses 12 and 13)

Clause 12 would apply the general principles of the scheme to client money assets. Client money is monies an investment firm receives from, or holds for, or on behalf of, a client in the course of its investment business.⁴¹

Clause 13 sets out the proposed definition of dormancy for client money. This is that the institution holding the money regards the person who is owed the money, or who can direct the institution to pay the money, as being gone-away throughout the preceding six years.

Securities assets (clauses 14 to 16)

Clause 14 would apply the general principles of the scheme to securities assets.

Clause 15 would define the types of asset available to transfer. These would arise from a shareholding in a publicly quoted company; for example, a dividend, the conversion of a share to cash or a corporate action relating to the share.

Clause 16 sets out the proposed definition of dormancy for securities assets. This is that the publicly quoted company regards the shareholder as being gone-away throughout the preceding 12 years.

⁴⁰ For example, the Association of British Insurers (ABI) published a guide to managing gone-away customers in the life assurance and pensions market: Association of British Insurers, [ABI Framework for the Management of 'Gone-Away' Customers in the Life and Pensions Market](#), March 2018.

⁴¹ Financial Conduct Authority, [FCA handbook: CASS 7.2: definition of client money](#), 1 November 2007.

Miscellaneous provisions (clauses 17 and 18)

Clause 17 contains miscellaneous provisions relating to part I. For example, it would ensure that, if the owner dies, the right to reclaim an amount from the fund passes on to a beneficiary of their estate.

Clause 18 provides definitions in relation to part I.

4.2 Part 2: other provisions (clauses 19 to 29)

Extension to further assets (clause 19)

Clause 19 would provide the secretary of state with powers to make regulations to extend the scheme to further asset classes. It sets out various matters any such regulations should cover; for example, the definition of dormancy for a new asset. It would also permit changes to the current classes, although not to exclude any existing assets from scope or alter their definitions of dormancy.

Alternative scheme assets (clause 20)

Clause 20 relates to the alternative scheme for smaller institutions. It would allow RFL to transfer surplus assets back to participating financial institutions if it reduces the amount it wishes to reserve for future reclaims, being certain that it does not need the additional funds. Funds returned to institutions would need to be distributed to local charities.

Unwanted/donated assets (clause 21)

Clause 21 provides for the situation in which the owner of an asset has been located, but does not want the asset (for example, because it is a small amount) or elects to give some or all of it to the fund. The clause allows such assets to be donated to the scheme. Certain conditions must be met; for example, that no other person has a right in the asset. It also provides that once an asset has been donated, it cannot subsequently be reclaimed.

General provisions (clauses 22 to 28)

Clause 22 would allow a third party that has a legitimate claim on an asset to have a right of reclaim from the scheme.

Clause 23 would make it a requirement for firms that are members of the scheme to make attempts to reunite assets with their owners. The 2008 act includes no such specifications. The requirements in the bill are couched in general rather than specific terms; for example, stating that RFL must consider each institution's practices in tracing customers to be "satisfactory". The Government says this will allow "practices to be tailored and improved over time".

Clause 24 would provide for reclaims to be made from the scheme if the original member company became insolvent. It would limit the level of claims to that which the customer would have received from the company in its insolvency, ie if the transfer had not occurred, which may be less than the original claim.

Clause 25 states that member firms can transfer confidential information to the reclaim fund for the purpose of meeting reclaims. However, this provision does not override data protection legislation.

Clause 26 would identify RFL as the authorised reclaim fund but would allow HM Treasury to name another such fund in the future. Another fund could be additional to, or instead of, RFL.

Following RFL's change of status to a non-departmental public body (see section 3 above), clause 28 would remove RFL from the scope of the Financial Services Compensation Scheme. Instead, clause 27 would provide that HM Treasury would make a loan to RFL in the event of potential insolvency.

Clause 29 would amend the approach in the 2008 act for distributing dormant assets money in England and align it with that used in Scotland, Wales and Northern Ireland. It enables the secretary of state to make secondary legislation determining the types of social and environmental purposes to which funding can be distributed in England. Under the clause, the secretary of state must consult with TNLCF before making an order. The Government has also committed to a public consultation on the causes to which future funding should be distributed.⁴²

4.3 Part 3: final provisions (clauses 30 to 33)

Clause 30 sets out procedural provisions about regulations made under the bill.

Clause 31 specifies the provisions in the 2008 act that would be repealed by the bill. It also introduces schedule 1, which would make “minor and consequential amendments” to other legislation, including to the Financial Services and Markets Act 2000 and the 2008 act.

Clause 32 introduces schedule 2, which is an index of defined terms in the bill.

Clause 33 sets out the bill's territorial extent, commencement and short title. The bill extends to England, Scotland, Wales and Northern Ireland. The provision in clause 29 on the distribution of money in England would extend to the UK but would only apply to England.

The substantial provisions in the bill would be brought into force by commencement regulations. Different parts of the bill could be brought into force on different dates.

5. Reaction

For the Labour Party, the shadow minister for the voluntary sector, Rachael Maskell, was reported as describing the additional funding for good causes as “welcome”, but as saying the use of dormant assets for this purpose was “long overdue”.⁴³

In its response to the Government's February 2020 consultation, the trade body for the UK banking and finance sector, UK Finance, said that it “recognises the laudable policy drivers underpinning the

⁴² Cabinet Office, [The Queen's Speech 2021: Background Briefing Notes](#), 11 May 2021, p 120.

⁴³ Kirsty Weakley, [Government commits to release of £800 million of dormant assets to help charities](#), Civil Society, 9 January 2021.

proposals”.⁴⁴ It stressed the need for firms to balance these with their duties to safeguard customers’ assets. It requested that the new regime align with existing obligations, for example in the Financial Conduct Authority’s handbook. It also strongly agreed that the scheme should remain voluntary.

6. Read more

- Reclaim Fund Limited, [Dormant Assets: Information Guide](#), March 2021
- Norton Rose Fulbright, [UK government concludes on expansion of the Dormant Assets Scheme](#), January 2021
- Local Trust, [Community wealth fund alliance](#), accessed 14 May 2021
- Kalyeena Makortoff and Juliette Garside, [HSBC froze £1.5 billion of customers' cash in “dormant accounts”—report](#), *Guardian*, 22 October 2020
- Harry Brennan, [I tracked down my £14,000 lost pension – before the Government seized it](#), *Telegraph* (£), 11 April 2021
- Danielle Richardson, [How to find lost bank and savings accounts](#), Which?, April 2021

⁴⁴ UK Finance, [UK Finance responds to the dormant assets expansion consultation](#), 21 July 2020.

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