



8th May 2009

Dear Abbie

UK dormant accounts scheme: a consultation on secondary legislation

The National Council for Voluntary Organisations (NCVO) is the largest general membership body for charities and voluntary organisations in England. Established in 1919, NCVO represents over six thousand organisations with members in every local authority area, from large 'household name' charities to small groups involved in all areas of voluntary and social action at the local level. NCVO champions voluntary action, our vision is of a society in which people are inspired to make a positive difference to their communities. A vibrant voluntary and community sector deserves a strong voice and the best support. NCVO works to provide that support and voice.

NCVO welcomes the opportunity to respond to this consultation which seeks views on:

- the extension of FSA authorisation to include reclaim funds;
- a requirement on building societies participating in the scheme for smaller institutions to publicly disclose information in line with the requirements placed on smaller banks.

We have always supported the transfer of unclaimed assets for reinvestment in the community in cases where they cannot be reunited with their owners. In the current climate this money will be even more valuable, and yet there is a danger that there will also be less incentive for financial institutions to take part in a voluntary scheme. We urge the Government to swiftly proceed with the implementation of the legislation and to do all it can to ensure that there is sufficient participation in the scheme by banks. We are pleased that the Government has agreed to review the effectiveness of a voluntary scheme three years into its operation. In this context a review will be even more important.

The recession poses a number of challenges for the voluntary sector. At a time when the services of many organisations are under increasing demand, charities are experiencing reductions in income. The legislation identifies youth and financial capability as the priority areas for receipt of money from dormant accounts, with social investment receiving funds 'if resources permit'. We urge the Government to ensure that there is sufficient resource available for social investment, to support the breadth of activity within the sector at this difficult time.

As the consultation states, the scheme allows for smaller banks and building societies to opt out of the main scheme and transfer money from dormant accounts to local organisations that they have a connection with. It will be important for these institutions to report separately in their accounts money transferred to organisations from unclaimed assets and money transferred as part of their wider corporate social responsibility activity. This will help ensure that corporate social responsibility is not displaced as a result of participation in the scheme.

If you would like to discuss this further please feel free to contact me on 020 7520 2475 or email me at louisa.darian@ncvo-vol.org.uk.

Kind regards

Louisa Darian