

Revealed: how high street banks drive migrants into destitution



Banks are driving migrants to homelessness and destitution.

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1 Comment

<http://tfne.ws/247b1kf>

Banks are pushing migrants trying to start new lives in Scotland into the hands of loan sharks and people traffickers.

Families are being left destitute because they are being routinely denied access to accounts, according to charity workers.

This means they struggle with employment and benefits – and means some will fall prey to criminals and the black market.

Problems are being caused by bank staff not recognising what is usually the only proof of identity possessed by newly processed refugees, the biometric residence permit, which the Home Office insists is enough to open an account.

Banks routinely ask for more proof of ID, such as utility bills and driving licences. However, even when these are provided – which is not always straightforward in some cases – requests are still declined.

This leaves families very, very vulnerable to being taken advantage of by people they might want to break an associate with

Added to this are the problems many migrants have trying to negotiate the complexities of the UK's banking system while not speaking English as their first language – or at all.

The problem was highlighted through cases currently being dealt with by the Edinburgh-based charity, Multicultural Family Base.

Project worker Rosie Megginson said the case of one family in particular – who had arrived from Romania – sparked

concern, especially when the organisation discovered there were many other families and individuals in the same plight.

The Romanian family were a fairly typical case - they had all the necessary bona fides for setting up a bank account, but were turned down by a string of high street banks.

To compound matters, there was no explanation. Instead, people affected are being told they can take part in a two-month long appeals process instead.

Meggison said: "This is especially a problem for new migrant families, especially those who have come here to find refuge from war, or who have been trafficked or had some difficulty getting here who maybe don't have the necessary papers.

"We have found that they really struggle opening bank accounts with most UK high street banks or building societies. We really struggled with a Romanian family who came over in September to open a bank account. Even with the necessary items, the banks have declined without explanation.

"They offer the option of writing to them and taking up a two month process to try to gain an explanation for it being refused.

"I can only imagine what it would have been like if they had not been through it with someone who speaks English. Some bank-speak is difficult at the best of times for native English speakers.

"We're not exactly sure why the banks are refusing these requests – we don't know whether the banks feel they are presenting a risk to them, whether they're not customers who would be profitable, I know they've had identity issues before. They've asked for extra proof of ID, but even when they have been provided, they have still declined."

Meggison said the consequences of not being able to open an account could be dire: "We're worried they could be pushed toward working cash in hand, staying below the radar– it's pushing them towards destitution.

"In the case of trafficked people, it leaves them very, very vulnerable to being taken advantage of by people they might want to break an associate with."

This is a UK-side issue, as the Refugee Council in England and Wales has said the majority of newly arrived migrants it deals with are declined, putting them at risk of predation from loan sharks or sleeping rough.

Meggison added: "It's a basic human right being able to open a bank account. There's such negativity from the mainstream, red top media towards migrant families – allegedly taking jobs and benefits etc. But the reality is that the banks are standing in their way from making their way and a real contribution.

"I'd ask the banks to make their system more transparent and understandable. Eight year old kids can have accounts – but these families can't. It would be good for us if this was explained properly. We need answers about why this happens."

TFN asked three well known names in high street banking – the Bank of Scotland, the Royal Bank of Scotland and the Co-operative Bank - to explain their policies when it came to migrants and bank accounts.

Shockingly, none of them got back to us.

A spokesman for the the BBA, the industry group for British banks, said: “Banks have to undertake thorough checks before opening accounts in order to comply with strict anti-money laundering rules and other requirements. We are actively engaging with the Home Office to establish how the process for refugees can be further improved.”