



UNLOCK
The National Association
of Reformed Offenders

UNLOCKing Banking

*Developing effective, efficient and secure access to
banking services for people in prison*

SUMMARY PAPER



Objective

To establish an effective, efficient and secure process by which people in prisons are able to open basic bank accounts as part of their resettlement back into the community.

Need

Providing access to banking for people in prison before release is one of the foundations of successful resettlement and provides a positive contribution towards reducing re-offending. Opening a bank account removes a significant barrier to employment as well as improving access to various benefits, allowances and grants. Bank accounts make it easier to secure stable accommodation and can encourage a more responsible attitude to spending. In addition to creating a barrier to employment and housing, being 'unbanked' prevents people from taking up other mainstream financial products and services. People who are 'financially excluded' either use non-mainstream providers which have higher costs or simply remain unable to access the services most people take for granted. People who open bank accounts before leaving prison have also reported positive changes in attitudes, such as feeling more 'normal' and 'included in society'.

40% of people in prison surveyed by the Legal Service Research Centre reported having no current account or other financial products, compared to 5% of people interviewed in the community. An evaluation by Liverpool John Moores University found that, prior to the banking project, 69% of prisoners at one prison had no bank account. It can be extremely difficult for people to set up even basic bank accounts both before and after release. Many prisons have recognised this need and have taken steps to meet it and around 40% of prisons report some kind of banking service. Although there are an increasing number of projects in place, many schemes are dependent on individual relationships and processes vary greatly between prisons. A significant number of prisons have made major efforts to establish relationships with both local bank branches and head offices but have been unable to make any progress, leading to a great deal of frustration for everyone involved. Therefore, lack of access to even basic banking remains the norm for the majority of people in prison.

The Pilot Project (2005-2006)

UNLOCKing Banking was developed by UNLOCK (the National Association of Reformed Offenders) to provide access to basic bank accounts for prisoners who are due to be released, as well as increasing their practical financial capability and developing greater awareness of financial issues.

In August 2005, UNLOCK began a ground-breaking 12 month pilot project to provide access to bank accounts in partnership with Halifax and HM Prison Service. The project was established at HMP Coldingley, a category C training prison for men in Surrey and HMP Cookham Wood, a female prison in Kent.

Many issues had to be overcome, including proof of identity, offence histories, card and PIN security, access to accounts and a lack of basic personal finance skills. Over time, a process

was developed that integrated support completing applications, a bespoke identification document and tailored basic financial capability training refined by detailed feedback from all participants.

From 135 applications, the pilot project successfully opened 133 basic bank accounts, all for serving prisoners without any mainstream ID. The project had quickly identified the need for financial capability training tailored towards first time account holders and 98% of participants rated the training as excellent or good. Halifax tracked usage of the accounts after release and found that participants in the project were statistically better than average basic bank account customers, with low rates of closure, high rates of activity and no charges being levied.

A post project review was carried out by the National Offender Management Service (NOMS). Further recognition of the project's success came in the HM Treasury Report Promoting Financial Inclusion, and the British Bankers' Association (BBA) and APACS joint publication Financial Inclusion – Access to advice, banking and credit

The pilot prompted many people from across the Prison Service to speak out about the lack of training and guidance in this area. As a result, a side-project “UNLOCKing Financial Capability” was born with a simple objective, to build the capacity of prisons and charities to deliver basic banking training to their clients.

However, with few exceptions, prisoners and prison staff continued to be frustrated in their own attempts to build local relationships with banks. In 2006, the NOMS Reducing Re-offending Action Plan included the roll out of the banking pilot. However, there was no resourcing or activity and so no roll-out occurred.

Project Development (2006-2008)

In response, UNLOCK continued to invest in developing pre-release banking, securing the continued support of Halifax, as well as developing a new partnership with Barclays in 2007.

The Co-Operative and HMP Forest Bank began their own independent project in 2006, which was also very successful. It spread out to many other prisons, making the bank the largest provider of basic accounts to serving prisoners.

Using its partnerships, UNLOCK began to set-up pre-release banking projects, establishing sustainable relationships between banks, prisons and service delivery organisations.

Due to the temporary closure of HMP Cookham Wood, the Halifax project moved to HMP Wormwood Scrubs and later expanded into HMP Camp Hill, totalling three prisons.

The Barclays project was piloted in 3 prisons in the East of England (HMPs Blundeston, Norwich and Littlehey), delivering a service from 2008. This was delivered by the Foundation Training Company (FTC) under a contract with NOMS in the East of England to provide holistic resettlement services within the region's prisons.

National Campaign (2009-2010)

In addition to its own ground level work, and in recognition of that done by others, UNLOCK began working towards a national agreement and protocol between prisons and the banking industry as a whole.

A partnership was established with the British Bankers Association (BBA). Joint events were held at the House of Lords and the BBA to bring together representatives of the banks, government and charities to highlight the issues.

In 2010, UNLOCK began working in partnership with the Ministry of Justice to map current gaps in service provision, condense its experience into clear guidance for prisons on running effective, efficient and secure banking services in prisons, and develop a national framework (supported by Barclays).

At a bank-only roundtable at the BBA, UNLOCK proposed a model of regional partnerships, due to the difficulties faced by prisoners and prison staff in engaging with banks at a local level. Each bank would agree to accept applications for basic accounts from all the prisons in a specific region. Larger banks would take on regions with more prisons. Processing of applications would take place centrally within each bank, rather than at branch level.

Due to the success of the pilot and development projects, Barclays is the first bank to take a strategic approach and own one region, so will cover all 14 prisons in the East of England region, in addition to 4 other prisons with which it had developed positive relationships. Support with financial capability, application forms and providing ID will be delivered by expert local resettlement staff, under a contract with the National Offender Management Service in the East of England.

The campaign's focus is currently on winning the political support necessary to encourage other banks to engage. It has already appeared on BBC regional news and was recently featured on Radio 4's *Moneybox*.

Further Information

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