

Time out of time

Former inmate **Denis MacShane** argues that the financial services industry needs to do more to help discharged prisoners reintegrate into society

The letter came as a shock. I left Brixton Prison in February with the statutory £46 in cash that is given to all prisoners on discharge, no matter their status, or length of sentence, or needs once back in the community. This £46 discharge grant has not changed since 1997.

I had spent seven miserable weeks over Christmas and the New Year in Belmarsh and Brixton after pleading guilty to one charge of false accounting of money I had spent as an MP in Europe and then expensed. Everyone, even the Old Bailey judge, agreed there was no personal gain for me but, quite rightly, examples have to be made. The police and Crown Prosecution Service (CPS) had investigated the case for 20 months and decided not to lay charges. But “friends” in the Commons decided I was wicked and, so, the CPS boss changed his mind. Since I had always accepted I was guilty of breaking the rules, I could hardly justify a costly trial. I pleaded guilty. This brought to a close a four-year saga that began when the BNP asked the Commons bureaucracy to sanction me and that cost my life savings in legal fees.

I was the last of five prisoners to be discharged from Brixton on a sunny February morning. Ahead of me was a sad man, in his twenties. He had scars on his lower arm, the tell-tale sign of a prisoner with a serious drug addiction.

“My dad died when I was 10. My mum threw herself off London Bridge when I was 18,” he told me. “I’ve just drifted, done some shelf-stacking jobs in Bristol. Now I’ve got my forty-six quid and a phone number for a homeless hostel in Wandsworth. I’ve no idea what I’m going to do.” He looked and sounded pathetic. Uneducated, without a job, a home, a family network, without hope.

Around 50 per cent of adult discharged prisoners and up to 70 per cent of 18-24 year olds commit crimes within a few

months of finishing their sentence and are re-cycled back into prison. This costs £13bn a year on top of the £3.5bn annual cost of the prison service. Since 1994, Britain has doubled its prison population because judges prefer incarceration to community service or suspended sentences. Britain now has the highest incarceration rate of any comparable advanced European state. And for many prisoners the problem begins once the sentence is served. In particular, the financial services industry places hurdles in the way of full reintegration into the modern economy or society.

The predicament of the newly discharged prisoner was summed up in a letter published by the Spectator in 1923:

“Few people are concerned with the problem of the disposal of discharged prisoners. Yet the efforts made during

A curt, cold missive from Lloyds said my accounts would be closed

detention are useless unless help is forthcoming when the sentence has been served. For many, the worst sentence is not that pronounced by the judge, which has, at least, its limitation, but the life-long sentence of social ostracism pronounced by society.”

The first letter I opened when I went home from Brixton was evidence that not much had changed in the past 90 years. It was a curt, cold missive from Lloyds Bank announcing that my current and saving accounts would be closed and could I make arrangements to transfer the money somewhere else.

I opened my first bank account with Lloyds as a 16 year old and had worked with the bank as an Industrial Trust Parliamentary Fellow, which is an excellent

scheme for MPs to burrow into large companies and see how they work and what problems they face.

Thanks to a windfall, I had decent funds in my Lloyds account. So much so that, the day after I was released, my local Lloyds branch asked me to pop in to discuss some investment possibilities. When I showed the letter announcing the account was closed to the helpful manager, he took it away and phoned head office. He came back sadly to announce that there was an “executive business decision” to close my account.

So I wrote to the then Lloyds chairman, Sir Win Bischoff, whom I had met in my capacity as chair of a large Spanish-UK outfit in which Sir Win took an interest. A rather embarrassed jobsworth called me from Lloyds to say he was answering for the chairman and sorry, it was an executive decision to close my account and that was that.

Now, all this was annoying but unimportant personally as I quickly found another High Street bank willing to take my money. However, in the wider scheme, it was symptomatic of the way prisoners are treated on discharge. When I tried to renew insurance on a small house I own in Yorkshire I found a good quote on the net, filled in the details, and got to the payment page to read the condition that “anyone with a conviction other than a motoring offence” need not apply.

In her 2013 book, *Prisonomics. Behind Bars in Britain's Failing Prisons* (Biteback), Vicky Pryce, the government's former joint chief economist, who was sent to prison for eight months for taking her ex-husband's speeding points in 2003, describes the worry of women prisoners about how to handle their finances outside. “When my friend Rachel, convicted of fraud, rang to tell her building insurance that covered her mortgage that she had a conviction, the chap on the other end of the phone

apparently said something like, 'sorry, we are stopping insuring you as of this minute' and hung up. It was a similar story with her car insurance."

I served my sentence in Brixton, which is a re-settlement prison. My fellow inmates were waiting to be released or already going out to employment while returning to prison by night. However, in my time there I got no advice, nor saw any notices or education sessions that might have helped prisoners re-enter the financial world.

Many of the prisoners were one-time white collar criminals. In some companies or public bodies, when a fiddle is uncovered, the culprit is made to pay back the money, accept demotion, or told to retire quietly. Others insist on criminal charges. It is luck of the draw which route is taken but the focus on custodial sentences means that our prisons are over-crowded with men and women who could easily be kept under surveillance without locking them away. This overcrowding, combined with massive cutbacks under post-2010 austerity budgets, overwhelms prison staff. They are not available to help prisoners re-enter the world equipped to get bank accounts and insurance.

Certain banks have tried to help. In 2005, the charity Unlock which helps released prisoners with financial problems, persuaded Halifax to pilot a scheme to allow prisoners to open accounts. Halifax has been joined by the Co-op, Barclays, HSBC, and Santander. The British Bankers' Association has thrown its support behind this initiative.

The BBA's Lloyd Adams told the House of Commons all-party parliamentary group on penal reform in 2012 about meeting a prisoner in Wormwood Scrubs who explained three reasons why he needed a bank account. "Firstly," the prisoner said "When I leave prison I need somewhere to have my benefits paid into. Secondly, when I get a job my employer needs somewhere to pay me. And thirdly, if I do well with this account, eventually they'll give me a credit card and eventually I'll get a mortgage."

The BBA continues to support efforts to allow released prisoners to have a bank account. As the BBA chief executive, Anthony Browne, argues: "Without a bank account it can be hard to get a job and without work those leaving prison can be

more likely to reoffend. Banks have established links with 122 prisons around Great Britain to help prisoners set up an account before they are released."

The theory sounds good but in a 2010 survey 72 per cent of prisoners said they had received no advice about handling finances, including opening a bank account. It should not be too hard if the Ministry of Justice was supportive to let all prisoners approaching discharge be sent an easy-to-read pack on how to get a bank account. Unfortunately, the present justice secretary, Chris Grayling, has banned prisoners from receiving books in prison. He insists that prisons are places of punishment and restricting reading rights is a way to remind prisoners of the reason why they are behind bars.



To try to streamline the process of applying for a bank account, the Prison Service has devised an identity form that individual prison governors can issue to inmates who have to open an account. However, if a bank simply closes an account of a prisoner, or rejects the application of anyone charged with a sweeping definition of "financial crime", then no-one can oblige the bank to change its mind. "Financial crime" covers about 40 per cent of the prison population. It seems odd that a released murderer or rapist might get a bank account but an elderly businessman who fell foul of HMRC cannot.

The charity Unlock was set up by ex-prisoners to help persuade the government and the financial industry to stop treating released prisoners as if they

were still convicts. It has had some success with banks but, as Unlock director Christopher Stacey says, there is a Catch 22: if prison governors and staff do not find time to tell prisoners about getting bank accounts then the willingness of banks to be helpful is of limited use.

Still, at least some banks are willing to be supportive. The insurance industry is less helpful. "Insurers ask for a lot more information from prisoners than they are legally entitled to and high street insurers operate a blanket ban on home insurance for anyone with an unspent conviction, which can affect up to 1m people," explains Stacey. "The Association of British Insurers are aware of the problem but there is far more work to be done with their members. This is in contrast to the banks where they have worked with Unlock and the Prison Service to at least make a basic bank account available even if the take-up is patchy."

It is a myth that, once a convicted criminal has served a sentence, society considers the debt paid. A few decades ago, a released prisoner could find a job paid weekly in cash and open a post office account across the counter. Once you had done your time, your convict status was over. Today, without a bank account, or without insurance, normal life is impossible. Unless we want to red-line hundreds of thousands of ex-convicts into second-class citizen status the banks and insurance companies have to rethink. They need to ignore tabloid papers

and rent-aquote MPs clamouring for more and more people to be sent to prisons for punishment rather than rehabilitation. Banks deserve praise for working on this problem and insurance companies need a nudge to understand a convict is not a criminal after discharge.

Ultimately, politicians and judges have to decide if it really is necessary to have so many in prison, especially for non-violent crime or offences that warrant only short sentences. This, and the question of the place of ex-prisoners in society, is a debate that is long overdue.

Denis MacShane was MP for Rotherham from 1994 until his resignation in 2012. He served in the Labour government as Minister for Europe from 2002 until 2005.