

Jersey Dormant Accounts Law could cut admin burden for local banks

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A new law in Jersey could offer banks a welcome opportunity to cut administration and liabilities for 'forgotten' accounts, says Ogier banking specialist Edward Scott.

Banks may soon be able to close dormant bank accounts by depositing the account balance into a central fund. Any money that is not reclaimed from the fund will be used for charitable and social purposes.

The Dormant Bank Accounts (Jersey) Law 201- is the subject of a government consultation, which is open for comment until 30 September 2015.

Ogier Managing Associate Edward Scott said: "Jersey banks will welcome this new law as it will be an opportunity for them to cut administration and liabilities for accounts where contact has been lost with the customer."

By contrast to the unclaimed assets scheme in the UK, the Jersey scheme is proposed to be compulsory for Jersey banks.

Mr Scott added: "There will be a grace period for banks to set up systems to identify dormant accounts but ultimately the scheme will be compulsory."

He believes that while the compulsory nature of the scheme could be met with some reservations - since the equivalent UK scheme is optional for banks - this will likely be redressed by the reduction in the administrative burden for banks and the revenue that the scheme could generate.

"The scheme will fund the charities commissioner as well as Jersey's arts, sport and heritage," he said. "It may generate significant revenue; the UK scheme has raised £238m for the Big Lottery Fund to date."

Read Ogier's briefing on the [Jersey Dormant Accounts Law](#).

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