

SofS 43938

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Dear Mr Mullen,

I recently visited Hertfordshire Social Services Department and met a number of service users and carers who were in receipt of direct payments. Many of the individuals were facing particular difficulties with their banks and I agreed to write to your association to see if there was a way to address these difficulties.

Firstly, there were issues around proof of identity. Many disabled people do not have driving licences or passports to prove their identity. As a result, some banks have refused to let them open accounts. This is despite, in many cases, the individual holding a letter of introduction from the local social services department, who would be paying the direct payment into the account.

Secondly, others had difficulties signing cheques due to their disabilities. One person mentioned that his bank had been particularly innovative and allowed a disabled person to sign documents by way of a thumbprint. Others, however, said their bank had been less than helpful and had insisted on a particularly rigid application of rules.

I believe that banks should have a responsibility for knowing their customers, especially those with special needs, and the arbitrary interpretation of safeguards should not be acceptable practice. We have previously agreed a standard letter with the Association of Directors of Social Services (ADSS) and the BBA, designed to help direct payment recipients open bank accounts. Councils can adapt it to their own local needs, and send the letter to act as proof of capacity and/or address for the bank. However, it appears that this is not being used in all areas with some banks failing to recognise them.

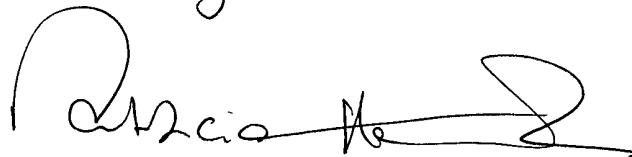
There is a link here with the Disability Discrimination Act, which seeks to end discrimination against disabled people. This requires providers to take reasonable steps to end any practice, policy or procedure which makes it impossible or unreasonably difficult for disabled people to make use of a service.

Thirdly, I have recently heard of situations where people have become overdrawn in one of their accounts, or have incurred bank charges but have no money in their account to pay them, and as a result banks have taken the money from 'direct payment' accounts. I know that my officials have already been in touch with your colleague Stewart Dickey on this matter but I would like to highlight our concerns. I recognise that banks are legally entitled to do this when they are simply recouping a debt from an individual's alternate bank account. However, a direct payment account is not money that belongs to the individual; it is public money to be spent on the person's care needs. Taking this money will mean that their care needs are not met.

Finally, I know that many people, including those without a regular income, or those with a poor credit history, find it difficult to open anything other than a Basis Bank Account in which to put their direct payment. As I understand it, these accounts do not permit the person to have a chequebook, which makes it much more difficult for individuals to pay their care staff and develop a clear audit trail for their spending. Presumably, this rule is there to prevent people spending money they do not have, but is there a more simple solution? Perhaps in cases involving direct payment monies, banks could simply refuse to honour cheques which would, if cashed, overdraw the account. I believe this would be a fairer system than not allowing a person to have a chequebook at all, which penalises those who can manage for the behaviour of a few who potentially cannot.

I would be grateful for your thoughts on these matters and how best to tackle the problems faced by older and disabled people, and their carers, who are trying to be more independent and exercise the kind of choices others take for granted. I would welcome suggestions of potential solutions from the Association in terms of guidance to help eradicate anomalies and poor practice.

Yours sincerely,

A handwritten signature in black ink, which appears to read 'Patricia Hewitt'. The signature is fluid and cursive, with a long horizontal stroke at the end.

PATRICIA HEWITT