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Unclaimed Assets Consultation
Payments & Inclusion Team
HM Treasury
1 Horse Guards Road
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Our ref: Unclaimed assets/KW

8 June 2007

Dear Sirs

A UK Unclaimed Assets Scheme: a consultation

The Panel is pleased to be able to respond to this consultation covering the establishment of a UK unclaimed assets scheme designed to re-distribute assets held in dormant accounts for the benefit of the community at large. The Panel is aware that HM Treasury has now published another consultation on this proposal which deals with the distribution of the assets and will submit a response to that consultation in due course.

The Panel is broadly supportive of this initiative and feels that the measures proposed to protect the owners of funds should a claim be made after the qualifying 15-year period seem appropriate. The Panel was always concerned that central to the success of this scheme was an adequate safeguard for the rightful owners of funds to be given an easy means of reclaiming those funds and is therefore pleased these proposals cover this aspect of the scheme in detail.

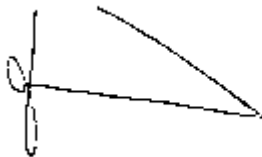
The Panel does have one or two comments to make on the proposals. The Panel feels it will prove more successful if banks were obliged to participate rather than it being made a voluntary scheme. I am unaware of the level of interest in the scheme expressed by the banking sector generally but feel there may be financial pressures which would militate against voluntary opt-in in some cases. The Panel is also interested to learn if this scheme will incorporate National Savings and Investments, as well as the general banking sector.

In terms of concerns, the Panel really has only one, and that relates to the potential for 'ambulance chasers' to exploit this scheme and use it as an opportunity to expand their business into a new area. This could give rise to not insignificant costs – by way of a fee based on a proportion of the funds re-claimed – being paid by

consumers for what will be a straightforward process which consumers should be easily able to manage themselves. That's said, the Panel appreciates there may be little that can be done to prevent this.

I understand you have requested a meeting to discuss issues around the establishment of the scheme. The Panel would be happy to discuss this important initiative – please liaise with the Secretariat to arrange a suitable date.

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Howard'. The signature is written in a cursive style with a vertical line on the left side.

John Howard
Chairman
Financial Services Consumer Panel