



August 2009

Policy Statement

Unclaimed Assets

Background

An asset is classed as 'unclaimed' when the owner or heir fails to communicate with the holder of an asset over a certain period years, known as the 'dormancy period'. In the UK, the dormancy period is fifteen years. Examples of assets that often become unclaimed include money in bank accounts, stocks and shares, and insurance policies.

Efforts to release unclaimed assets in this country have always been extremely limited, and we believe that the majority of such assets will have belonged to deceased people. When a person dies leaving a Will, the Executor of that Will and/or the person's next of kin may miss paperwork relating to assets when arranging the person's affairs. Similarly, relevant banking paperwork may have been destroyed or lost or simply may not exist. This issue will affect a significant proportion of the existing unclaimed assets in the UK.

Why this is important to Cancer Research UK

Many charities rely heavily on the income from gifts in Wills to fund their work. For example, in 2007/08, Cancer Research UK received £148million through the generosity of our deceased supporters. Although other fundraising methods such as direct mail and sponsored events receive more publicity, many charities rely more heavily on legacy income to fund their work.

It is likely that the majority of unclaimed assets belong to the deceased and, since seven per cent of all people that die leaving valid Wills leave money to charity¹, it is reasonable to assume that charities are owed a significant proportion of the total value of unclaimed assets in the UK. Although it is difficult to estimate an exact figure, we believe that UK charities are being deprived of hundreds of millions of pounds through this lost legacy income.

Unclaimed Assets Charity Coalition (UACC)

Cancer Research UK is a member of, and provides the secretariat for, the Unclaimed Assets Charity Coalition (UACC). This is a group of 60 UK-based charities representing a range of causes who are working together to ensure that charities gain access to all of the funds left to them by their supporters but lost in the form of unclaimed financial assets. The coalition has a broad membership including voluntary sector umbrella bodies, and small and large national charities.

Government Support

The 2008 Dormant Accounts Act made provisions for unclaimed assets to be reinvested in society via the Big Lottery Fund. Cancer Research UK felt that this was the perfect



opportunity to increase efforts to reunite people with their unclaimed assets via the introduction of an easily searchable national register. While no such register was introduced, we did secure a commitment from government to review the legislation - and the extent to which measures aimed at reuniting people with their unclaimed assets have been successful (such as the 'My Lost Account' scheme²) - in three years.

The UACC believes that there are a number of measures the Government could introduce in order to make it easier for consumers and charities to access their unclaimed assets.

We would like the Government to introduce a UK-wide mandatory register for unclaimed assets which is easily searchable by charities and members of the public, and would include proactive provision for identifying and reunifying unclaimed assets from deceased people's estates.

In addition, it is important to note that, although the Dormant Bank Accounts Act focused on bank and building society accounts, there are more financial assets that could lie dormant and go unclaimed. Therefore we are calling for the definition of an 'unclaimed asset' to be broadened to include other financial products such as pensions, shares, insurance schemes, trusts and other investments.

Furthermore, a dormancy period of fifteen years seems unnecessarily long. Subject to detailed analysis, we would welcome a reduction in the dormancy period to fall in line with other countries such as the US.

Finally, we would like the Government to recognise that the current industry scheme, 'my lost account' does not sufficiently address the UACC's key concerns, and does not allow charities to easily search and access the unclaimed assets left to them by supporters.

For more information contact Cancer Research UK's Policy and Public Affairs team on 020 7061 8360 or publicaffairs@cancer.org.uk.

¹ Source: Remember a Charity, Institute of Fundraising, http://www.rememberacharity.org.uk/why_gifts_are_so_important.jsp

² www.mylostaccount.org.uk