



Report sponsor: Simon Riley – Strategic
Director of Corporate Resources
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Intelligence (People Services)

Know Your Customer Policy – Reviewed and Updated

Purpose

- 1.1 The Know Your Customer (KYC) Policy was approved at the Finance and Procurement Cabinet Member Meeting in December 2018. The scope was extended in August 2019 to include a provision for unaccompanied migrant children and former unaccompanied migrant children who are care leavers or children in care.
- 1.2 The Policy has recently undergone a scheduled review. The new version includes several changes to improve clarity and to reflect exceptions agreed by the Department for Welfare and Pensions (DWP) and/or by the Council's provider of Prepaid Card services, allpay Ltd.

Recommendation

- 2.1 To approve the proposed changes to the KYC Policy.

Reasons

- 3.1 These changes will enable the Council to continue issuing prepaid cards to Children in Care, to Children Leaving Care, and to vulnerable adults. They will also make the Policy more relevant to practice and streamline the process.
- 3.2 The revised Policy better supports the Council's aspiration to reduce the number of cash transactions for payments into and out of the Council.

Supporting information

- 4.1 The original policy was approved at an Individual Cabinet Member meeting on 13 December 2018, and subsequently updated on 14 August 2019. A review date of November 2020 was set.

- 4.2 The scheduled review of this Policy was delayed by the coronavirus pandemic but has subsequently taken place. As a result of the recent review:
- the list of acceptable identification (ID) documents was updated in line with guidance issued by allpay Ltd. The revised list aligns with the government guidance published here: [Proof of identity checklist - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/proof-of-identity-checklist)
 - an exemption was added for vulnerable adults who have insufficient official ID documents, allowing their social worker to confirm their identity for the purpose of issuing a prepaid card.
 - wording was standardised throughout to replace “pre-payment” and other variants with “prepaid” and to replace “client” with “customer”.
 - New review date set for 2023.
- 4.3 The amended Policy is attached as Appendix A. The proposed changes only remain visible as “tracked changes” for review purposes. The changes will be correctly formatted before the final Policy is published.

Public/stakeholder engagement

- 5.1 The Council’s Section 151 Officer, colleagues involved in establishing and using the Prepaid Card process, and allpay Ltd were all asked to review the existing Policy and to suggest improvements. Their responses were used to update the Policy.
- 5.2 The KYC Policy is an internal document and as such, the review was carried out without input from the public.

Other options

- 6.1 DOING NOTHING and allowing the Policy to remain in place without undergoing a review was discounted as the Policy would eventually become outdated and would no longer support the aspirations of the Council.
- 6.2 The option of only including a subset of the proposed changes was discounted as they will all contribute to an improved Policy.

Financial and value for money issues

- 7.1 The KYC policy supports Derby City Council's aspiration to reduce the number of cash transactions for payments into and out of the Council.

Legal implications

- 8.1 None arising from this report.

Climate implications

- 9.1 None arising from this report.

Other significant implications

10.1 None arising from this report.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal		
Finance	Alison Parkin, Director of Finance	19 May 2021
Service Director(s)	Kirsty McMillan, Director of Integration and Direct Care	21 May 2021
Report sponsor	Simon Riley, Strategic Director of Resources	19 May 2021
Other(s)		

Background papers:	
List of appendices:	Appendix A – KYC Policy v3