



**FINANCE AND PROCUREMENT CABINET
MEMBER MEETING
14 August 2019**

ITEM 5

Report sponsor: Don McLure – Strategic
Director of Corporate Resources
Report author: Colyn Kemp – Head of Business
Intelligence (Peoples)

Know Your Customer Policy – Updated

Purpose

- 1.1 The Know Your Customer (KYC) Policy was approved by Finance and Procurement Cabinet Member Meeting on 13 December 2019.
- 1.2 Since the KYC Policy was approved, it has been updated to include a provision for unaccompanied migrant children and former unaccompanied migrant children who are care leavers or children in care. In most circumstances, these young people would not be able to provide documentation to prove their identity.

Recommendation

- 2.1 To approve the changes to Section 3.6 of the KYC Policy. This change will enable the Council to issue prepaid cards to Children in Care and Children Leaving Care who do not have any official identification (ID).

Reasons

- 3.1 Prepaid Cards would normally only be issued to individuals with the appropriate identification. However, there are circumstances when Children in Care aged 16 or 17 years old or Care Leavers who are/were either unaccompanied migrant children or unaccompanied asylum seeking children will have no ID. In these cases, and when the children have been allocated a social worker or personal advisor who is an employee of Derby City Council (DCC), the Prepaid Card Provider has agreed to accept a letter with a photograph of Child in Care/Care Leaver, their accepted name, date of birth and the address of the person who is applying for the pre-payment card.
- 3.2 The change to the KYC policy will ensure that payments can be made to young people who otherwise would be issued cash or vouchers.

Supporting information

- 4.1 The Prepaid Card provider has clear guidance for the issuing of cards. In most circumstances individuals would be able to provide proof of their identification, but it is recognised that some young people may not be able to provide this ID. The Council has worked with the provider to reach an agreement on the issuing of prepaid cards to young people with no ID.
- 4.2 The agreement and the process the social worker or personal advisor will need to follow to issue the card has successfully worked in other local authorities; who have faced a similar circumstances with children who have no ID.
- 4.3 Prepaid Cards offer a degree of security in that money and/or vouchers are not being issued directly to a young person from a known location, but instead can be paid directly on to the young person's card, once the account has been set up.
- 4.4 The functionality of the Prepaid Card also allows the Council to monitor spend and if necessary, retrieve funds if any fraudulent activity occurs.

Public/stakeholder engagement

- 5.1 The original policy was approved at an Individual Cabinet Member meeting in 13 December 2018.

Other options

- 6.1 Money and vouchers could continue to be paid to young people who do not have the appropriate ID, but this presents the Council with an ongoing fraud risk. Issuing money also increases our use of resources that could be better allocated towards managing the increasing demand on the Council's Children's teams.

Financial and value for money issues

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

Legal implications

- 8.1 Not applicable.

Other significant implications

- 9.1 Not applicable.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal		
Finance		
Service Director(s)		
Report sponsor	Don McLure – Strategic Director of Corporate Resources	
Other(s)	Johanna Barker – Acting Head of Service: Children In Care Service	
Background papers:	Know Your Customer: Final Policy v2_3	
List of appendices:		