The Co-operative Bank

working in partnership to reduce re-offending with Forest Bank Prison.

Evaluation completed by Liverpool John Moores University

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Val McCarren – Co-operative Bank

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Val McCarren – Co-operative Bank

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Introduction to Co-operative Financial Services

- Co-operative Financial Services includes The Co-operative Bank, The Co-operative Insurance and The Co-operative Investments
- CFS offers a range of financial products, from current and savings accounts to credit cards, insurance products, unit trusts, investment bonds and pensions.
- Our 8,000 staff provide products and services to some 6.5 million UK customers and we have assets of £40bn. We are headquartered in Manchester, with other main offices concentrated in the Northwest of England.

Background & Objectives

- Approached by Forest Bank Prison – issue with resettlement programme
- Pilot within Forest Bank prison to encourage and facilitate the bank current account opening process
- In order to facilitate employment and therefore contribute towards strategies aimed at reducing re-offending
- Objectives
  - Encourage prisoners to open a bank account pre release
  - Identify new and original ways of proving a prisoner's identity
  - Come up with new process where accounts could be opened and ready for use immediately on release
  - Reduce the risk of financial exclusion
  - Help prevent ex-offenders from re-offending on release

Why?

- Co-operative – motive beyond profit alone
- Social Goals
  - Social Inclusion – unbanked and socially excluded
  - Prisoners particularly disadvantaged
  - Reducing offending – fewer victims of crime

How – Bank Perspective

- Standard ‘cashminder’ application (basic bank account offered to those at risk of financial exclusion such as bankrupts)
- New form to support the account application developed – Deputy Director at the prison confirms the applicants identity and current address at the prison, together with details of prisoners release address
- Changes to the standard process were made, e.g. all correspondence routed through the prison’s education department
- Cards and PIN numbers placed in safekeeping by the prison

How – Prison Perspective

Offenders

- All prisoners in last 12 weeks can apply, linked to financial awareness and education package within the “Get Out Stay Out” course
- Sustained demand – 40 out of 1000 released per month
- One to one support in filling out application form for offenders with low literacy skills

Employability

- Intrinsic to making prisoners ‘job ready’
- Allows offenders to be paid and fits with employers systems
- Offers employers reassurance that third party has assessed risk

Results – Bank Perspective

- Forest Bank scheme has been running over 3 years now
- In total The Co-operative Bank has opened accounts for 30 prisons
- Over 2000 accounts for prisoners now opened
- A number not opened
  - Address verification
  - Identification of prisoner applications
  - Manual work around's
  - Fraud checks
- Independent evaluation commissioned – Liverpool John Moores University, results launched at The Northern Financial Inclusion Conference, December 2008

Internal Surveys

- 43% had no bank account before entering Forest Bank
- 46% of those who had an account, have no account now or not sure if still have it
- Therefore around 69% of prisoners lack or unsure about bank accounts on release
- Quotes
  - "*Because of coming to jail and having a bad credit rating, the bank will not deal with us which is not right, - at the end of the day we are human*"
  - *"Opening an account would be a positive advantage. People would be able to manage their finances better"*

Importance of Accounts

- 79% say access to an account is important
- 51% say access is very important
- 59% said no bank account on release
- 67% want to arrange one or are in the process of arranging one

External Survey

- 79% did not have bank account before going into prison
  - *"Never had one before, but never had the right proof of identity, but always wanted one"*
- 95% thought it was easy to open the account at Forest Bank
- 79.5% said it would have been difficult to open an account after release
  - Reasons mostly to do with ID
- 61% use account often or quite often
- 42% said use direct debits

Why Inmates Want Accounts

- "*When I have been for a job, always asked for a bank account*"
  - Yet only 11% of sample in work
- Independence
- Manage money – including saving
- Status in society – standing in the community
- Safety – "*it not all in your pocket or a biscuit tin!*"
- *Accommodation and stability*

Focus Groups

- "*It's a fresh start for me really, I'd have never got a bank account – it's definitely given me a fresh start really*"
- *"I've saved £150 a year by direct debit*"
- And the biggest advantage of all – that you are part of society again

Key Successes

- High impact in people's lives
  - "*If hadn't had the chance here, would not have got one on the outside*"
  - "*I wake up with money in me bank and I didn't used to wake up with money in me pocket. So I've always got money in me bank now whereas if I would have been pulling all me money out, I wouldn't have had nothing left the next day*"
- Psychological and social outcomes
  - "*This might sound daft, but I feel better as a person, and I would like other prisoners to know that*"
- Enabling some to obtain employment

Bank Accounts and Re-offending

- By end March 2008, 256 accounts opened at FB
- 63 not released
- 193 left prison with an account
- 58 were back inside by the end March 2008
- A further 14 returned July 2008
- 72 people out of the 193 returned to prison – a return rate of 37%
- The national average return rate is around 70%

Reasons for Non-Usage

- Difficulties in changing account details for payment of JSA
- Some internal procedural difficulties, mostly now resolved
- Lack of financial capability and understanding of the operation of the bank account
- Chaotic lifestyles on release – and POCA already set up or receiving giros
- Fear of past debts
- Fear of traceability
- *Poor motivation to transition to a bank account* (stated in focus groups but challenged by staff)

Making Improvements

- Financial education
- Money guidance
- Debt and money advice
- Access to bank account when in prison
- Encouraging savings
- Through the gate support

Looking Forward

- The Co-operative Bank has a small market share (2%)
- Yet has opened accounts for 20% of prisons
- Industry influence - project evaluation report presented to the Chief Executive of the British Bankers Association at a roundtable event in 2008 organised by Unlock, the leading charity working with ex-offenders.
- CFS has representation on North West Finance & Debt Pathway of NOMS

Thank You