

**WRITTEN QUESTION TO THE MINISTER FOR EXTERNAL RELATIONS
BY THE DEPUTY OF ST. PETER
ANSWER TO BE TABLED ON TUESDAY 22nd OCTOBER 2019**

Question

Will the Minister advise whether he is aware of any confusion within the banking sector over the legal arrangements for the administration of ‘pooled accounts’ (namely the ability of a managing agent to have a single bank account in order to manage the income and expenditure of multiple properties for multiple landlords) and of any difference in advice being provided by banks on how to administer such accounts; is he further aware of any disadvantages facing new entrants into the market as a result of the current legislative regime and, if so, what action, if any, does he intend to take to address such problems?

Answer

Government is committed to meeting international standards on anti-money laundering and countering the financing of terrorism, and ensuring that the risk of Jersey being used for these activities is mitigated.

Where a bank account “pools” money from clients these risks are increased because of the potential anonymity provided and the co-mingling of funds belonging to several parties. Banks must therefore carry out due diligence on the source of funds in such accounts and so will look deeper than the named owner of the account.

Similarly, estate agents (including managing agents) are required to carry out due diligence on the source of funds going through their business. The regulatory rules also require that accounts which hold client money are kept separate from any funds belonging to the business, to protect the clients’ money should malfeasance occur or the business gets in to difficulty.

Whether a bank offers pooled accounts or individual accounts is a commercial decision between the bank and its client. The regulatory framework does not prevent a bank from offering pooled accounts, but ensures that where such arrangements are in place the standards of customer due diligence are upheld.