

Memorandum of Understanding between the Financial Conduct Authority (the FCA) and Synectics Solutions Limited (Synectics)

Introduction

1. This Memorandum of Understanding (MoU):

- establishes a framework for co-operation between the FCA and Synectics. It sets out the role of each party in relation to the Immigration Act 2014 (IA) and the Immigration Act 2014 (Bank Accounts) Regulations 2014 (the Regulations);
- explains how the two organisations work together. Its aim is to lay out procedures for providing information under the Regulations and for discussing matters arising from the obligations imposed on the parties; and
- replaces the previous MoU between the FCA and CIFAS dated 16 December 2014.

2. The parties acknowledge that they may only provide information under this MoU if permitted or not prevented under any applicable laws, regulations and requirements.

3. This memorandum has no legislative effect. It is a statement of intent, is not legally binding and does not create any enforceable rights.

Roles and responsibilities of the FCA and Synectics

The FCA

4. The Treasury in accordance with section 41 of the IA and regulation 4 of the Regulations have designated the FCA responsible for maintaining arrangements for monitoring and enforcing compliance with the prohibition on opening current accounts for disqualified persons. This prohibition is imposed by section 40 of the IA.

5. Section 40 of the IA provides that a bank or building society must not open a current account for a person who is in the United Kingdom and who requires leave to enter or remain in the United Kingdom but does not have it, unless:

- a) it has first carried out a status check which indicates that the individual is not a disqualified person (a disqualified person is a person within this group for whom the Secretary of State considers that a current account should not be opened by a bank or building society);
or
- b) at the time when the account is opened the bank or building society is unable, because of circumstances that cannot reasonably be regarded as within its control, to carry out a status check in relation to the person seeking to open a current account.

Synectics

7. Synectics has been specified by the Secretary of State as the anti-fraud organisation for the purposes of section 40 of the IA. This has been done using regulation 7 of the Immigration (Restrictions on the Employment and Residential Accommodation) (Prescribed Requirements and Codes of Practice) and Licencing Act 2003 (Personal and Premises Licences) (Forms), etc., Regulations 2022.

8. An anti-fraud organisation is defined in section 68(8) of the Serious Crime Act 2007 as any unincorporated association, body corporate or other person which enables or facilitates any sharing of information to prevent fraud or a particular kind of fraud or which has any of these functions as its purpose or one of its purposes.

9. Information would be supplied by the Secretary of State to Synectics so that banks and building societies could carry out a status check in relation to a person to check whether according to the information held by Synectics the person is a disqualified person.

Monitoring and enforcing the section 40 prohibition

10. Regulation 11 of the Regulations provides that Synectics shall give the FCA such information within its possession or under its control in respect of –

- a. disqualified persons, and
- b. status checks carried out by current account authorised persons for the purposes of section 40 of the IA

as the FCA may direct.

Quarterly reports

11. Synectics agrees to provide the FCA with a quarterly report that contains the information set out below. It agrees to provide this information within a month of the end of each calendar quarter.

12. Synectics and the FCA agree that Synectics' quarterly report will include:

- the number of Home Office Immigration (HOI) records available through Synectics (broken down by weekly values)
- the number of searches undertaken by each bank and building society against HOI data (broken down by monthly values)
- the number of matches against HOI data received by each bank and building society (broken down by monthly values)
- CRA/Screening Provider identifier

13. Synectics agrees to provide the quarterly information without further prompt or requirement from the FCA, except where the FCA wishes to amend the standard quarterly report information provided by Synectics.

Individual requests

14. The FCA may also from time to time request additional information from Synectics. These requests are likely to relate to individual searches undertaken of the Synectics database by banks and specific building societies, together with the date and time each search took place and the results returned by that search or those searches.

15. Synectics agrees to respond to any requests for additional information without delay.

Notification if database is unavailable

16. Synectics agrees to notify the FCA without delay if banks or building societies are unable to search its database of disqualified persons for reasons relating to Synectics' provision of the service.

Data and confidentiality

17. The FCA and Synectics will protect the confidentiality and sensitivity of all unpublished regulatory and other confidential information received from the other party. They will maintain effective controls designed to minimise the risk of inappropriate disclosures being made.

18. In particular, Synectics agrees that, where the FCA shares information that is not yet publicly available, that information may not be disclosed to any third party without prior consent from the FCA, or until such time as it becomes publicly available.

19. The FCA will abide by the restrictions imposed on it by the IA and FSMA on disclosing confidential information (as defined in FSMA) that it receives in the course of carrying out its functions under the IA.

20. The importance of data security and accuracy is recognised, and the approach of both parties should maintain that security. In particular, Synectics agrees to provide data to the FCA in a secure way.

Principles for the relationship

21. The FCA and Synectics will each take steps as they consider appropriate to co-operate and help the other in the exercise of their functions. The approach should be as efficient as possible for both the FCA and Synectics.

22. The FCA and Synectics will consult each other on issues which may be of significance to the other party.

23. Both organisations will work together to aid compliance with section 40 of the IA. In particular, they agree, where appropriate, to work together on information aimed at banks and building societies in relation to the IA.

24. The FCA will include information on Synectics on its website in the pages on the IA and in any relevant information that it publishes on the IA.

25. Each organisation will appoint a senior executive responsible for the co-ordination set out in this MoU.

26. This is the first memorandum of understanding between the FCA and Synectics. The FCA and Synectics will continue to monitor its operation and review its effectiveness from time to time as necessary.

27. The FCA and Synectics agree to publish this MOU on their respective websites.

January 2023

Signed by:

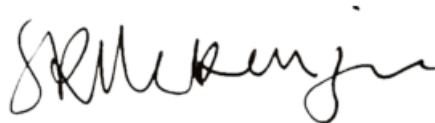
For the Financial Conduct Authority

Name: Sarah McKenzie

Position: Head of Department, Retail Banking – Market Analysis and Policy

Signature:

Date: 07/02/2023



For Synectics

Name: Marian Humphreys

Position: Legal Director

Signature:



Date: 16/02/2023