



DORMANT BANK ACCOUNTS IN JERSEY

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Other than a small number of provisions, the [Dormant Bank Accounts \(Jersey\) Law 2017 \(DBA Law\)](#) came into force on 17 July 2017.

The DBA Law allows a Jersey bank to close a dormant account by transferring the balance into a new fund called the Jersey Reclaim Fund managed by the Chief Minister. Consequently, a Jersey bank may now remove from its balance sheet the liability arising from the funds held in dormant accounts.

For the purposes of the DBA Law, an account is **dormant** if the account holder has not carried out any transactions on it for 15 years.

By the end of December in each year, Jersey banks must transfer to the Jersey Reclaim Fund the balance of each account which became dormant in the previous year.

The account holder of a dormant account will cease to have a claim against the bank. Instead, the account holder will have a claim against the Chief Minister relating to the Jersey Reclaim Fund. Despite this, if the account holder contacts the bank to claim the balance of the dormant account, after verifying the claim, the bank will pay an amount equal to the balance to the account holder. The bank will then reclaim all amounts paid to account holders of dormant accounts on a quarterly basis.

A bank may deduct from an account its reasonable fees and expenses incurred in carrying out its functions under the DBA Law if permitted by its terms and conditions. This may be an opportune moment to revisit your terms and conditions.

A similar proposal in respect of dormant Guernsey bank accounts was considered in 2013 but is not being pursued.

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