



Sheffield City Council

Finance and Commercial
Services

Guide to Knowing your customer



Revised
May 2018

Know Your Customer

1. **Know your customer (KYC)** is the process of a business identifying and verifying the identity of its clients.
2. The key question that should always be asked is “how sure am I that that I know the identity of the person that is requesting a service or access to information?” People are not always who they claim to be. There has been an increasing trend of people using various methods to obtain and use someone else’s identity. It is everyone’s responsibility to assure themselves of the identity of a customer, before the service is given. If you are unsure ask for appropriate proof.
3. Increasing the Council is moving from face to face contacts with customers to different methods of communication, such as by phone through the call centre and increasingly over the internet. This means that the individual and increasing the computer will have no directly knowledge of the individual.
4. There are an increasing number of reasons why it is increasing important that we know our customers:
 - To ensure that information is only provided to the rightful recipient of that information.
 - To ensure that we can record our transactions accurately so that we can build up a corporate picture of customer requirements and need and to allow us to better target our services.
 - To ensure that we are aware of the individual making a request for service that is chargeable.
 - In inevitably there will be individuals in society, who try to gain access to services that they are not entitled to, or will try to use another persons’ identity, to access those services.
5. There are a number of pieces of legislation that require us to know who we are dealing with, and users of our services will be used to providing verification detail, this is as much about preventing the individual customers and their identity as it is about protecting the council and its resources.
6. The legislation that require us to know our customer, includes, anti-money laundering and terrorism legislation (for cash transactions), Payment Card Industry (for taking card payments and Direct Debit), Anti- Bribery legislation (for contracts and inwards investment) and also data protection legislation.

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7. The Council is a very large and complex organisations that interacts with individuals and organisation on a whole number of different levels. The range of services can include dealing with refuse collections and road repair enquires, through planning and Council tax, the provision of council housing and sales under right to buy through social care issues and major inward investment by foreign parties. It is not practicable or possible to have a single process in place to enable the verification of all customers who use our services or interact with us.
 8. The approach needs to be proportionate and economic, whilst at the same time fulfilling not only our statutory duties, but also the requirements of the Council.
 9. These are some examples of the types of verification used:
 - From straight forward transactions such as reporting road issues or missed waste collections, name/ address and post code, may be simply taken without checking.
 - For service issues such as library cards etc., we would wish to have utility bills as proof of address and also a photo ID such as a driving licence to prove identity.
 - Where we are providing a service over a long period the details should be checked at commencement, and where carers change, there should be a smooth hand over and introduction.
 - For any refunds, we should always pay these back to the account where they were credited from.
 10. There are specific rules that govern property transactions and Legal Services are trained in this area.
 11. Where we deal with significant inward investment or other contractual type transaction, then the Legal Services should be contacted as there may be a requirement to undertake a more thorough due diligence process.
 12. It is important when devising new processes or revising current processes that we ensure that we adequately take account the requirement to know our customer, not to do so could lead to serious consequences to the Council and its users. If you require additional advice, this is available (dependent upon the issues concerned) from Internal Audit, Legal Services or the Information Governance Team.

Appendix 1

Where identification is required there are normally two elements that are required, one is to prove the individuals identify and the other is to identify there address. Dependent upon the service only one element may be required.

These items are for illustrative purposes, and additional items may be accepted where they fulfil the requirements.

Proof of identity:

- Current EU/EEA passport, photo driving licence or identity card.
- All other current signed passports, with a valid UK Visa where applicable.
- Current UK non-photo driver licence.
- HMRC Tax Notification.
- Biometric Residence Permit.
- Blue disabled drivers pass.
- Benefits or pensions notification confirming the right to benefit.
- Student ID card (youth/student accounts only – NUS & Student Union cards not accepted).

Proof of address:

- Bank or building society statement.
- Utility bill (such as gas or landline phone bill) dated within the last six months.
- Local authority tax bill for the current year.
- Tenancy agreement issued by a solicitor, housing association, local council or reputable letting agency.
- Benefits or pensions notification letter confirming the right to buy.

Important note regarding acceptable document:

- All documents must be the most recent ones.
- Documents used as proof of address should show the full name and current address.

Forgeries can be purchased on line, or created at home. It is obviously not possible to check the validity of documents such as passports, however if the documents do not look genuine or feel genuine then there may be a requirement to ask for additional documentation.