

DIVERSITY AND EQUALITY

BankThink Modern slavery survivors need support from more financial institutions

By [Sarah Dohoney Byrne](#), [Maha Khan](#), [Leona Vaughn, Ph.D.](#) January 22, 2024, 10:00 a.m. EST
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The United States faces an alarming reality: [approximately three in every 1,000 people](#) within its borders live in conditions of modern slavery, including forced labor and human trafficking. This eye-opening statistic challenges the misperception that this heinous crime only occurs in low-income countries. It also helps to explain why federal financial regulators, including the [U.S. Treasury Department, Financial Crimes Enforcement Network](#) and Office of the [Comptroller of the Currency](#), have designated human trafficking as one of the most significant threats facing the nation's financial sector, and identified it as a new anti-money-laundering/countering the financing of terrorism, or AML/CFT, national priority.

While the regulatory focus on modern slavery prevention is important – in particular the [routine monitoring of suspicious transactions](#) – the financial sector also needs to focus on financial inclusion. Survivors are often excluded from financial services when they do not have official identity documentation, good credit history or a permanent address. In conjunction with stronger anti-financial-crime efforts, financial inclusion programming can go far to enhance victims' access to meaningful financial products and is a [proven means](#) to effectively protect populations vulnerable to modern slavery.

As long-time advocates for trafficking victims – and given emerging data that indicates trafficking survivors experience rampant financial exploitation during and following trafficking – we believe it is absolutely vital that the industry works to grow and improve financial inclusion programs for modern slavery survivors. According to Polaris' 2023 [National Survivor Study](#), over 60% of survivors reported experiencing financial abuse by their trafficker. They were also twice as likely to be unbanked and 11 times more likely to take out a payday loan compared to the general U.S. population.

We applaud the many banks that have taken steps, both formally and informally, to facilitate victim restitution and financial inclusion, including the 14 banks that directly partnered with the United Nations University Centre for Policy Research's [Finance Against Slavery and Trafficking](#) initiative.

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momentum forward, more financial institutions need to address the exclusion that survivors face and explore how they can expand their offers to further enhance survivors' financial health and support networks.



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One U.S.-based survivor described how their financial exclusion was a consequence of their exploitation: "Traffickers force victims under duress to commit crimes and traffickers steal their victims' social security numbers to take out loans, consumer credit, [and] residential leases often not making payments which ultimately forces the victim to default leaving a survivor's credit irreparable."

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experience necessary to effectively lead their teams. This is dubbed the...

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SII's goal is to help banks expand financial access to survivors while still complying with know-your-customer and AML policies through the use of Financial Action Task Force-endorsed simplified or alternative customer due diligence. These measures include allowing for non-documentary forms of identification; alternative addresses for safety needs; and waivers of penalties for low- or no-balance accounts, overdrafts and delinquent credit histories.

In short, as the aforementioned survivor eloquently stated, it's about "putting the human element back into banking" to give survivors across the nation greater access to not only banking services but also financial literacy.

Qualitative and quantitative research proves that the relationships between banks and survivor support organizations such as the SII are vital in helping survivors understand, and therefore leverage, their rights to financial access. No matter one's role in the financial sector, there are undoubtedly opportunities to unite more intentionally and strategically in the fight against modern slavery and for trafficking victims. And the more we dig in as a sector, the more we all can learn, share best practices and refine these life-changing efforts to expand financial access to unbanked and underbanked populations nationally and globally.

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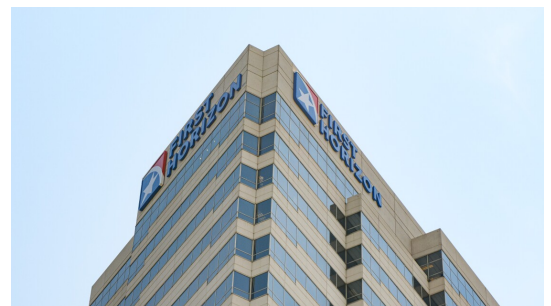
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