EXPLANATORY MEMORANDUM TO

THE DIGITAL GOVERNMENT (DISCLOSURE OF INFORMATION) REGULATIONS 2026

2026 No. 1039

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Science, Innovation and Technology and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments and the Secondary Legislation Scrutiny Committee.

2. Declaration

2.1 Ian Murray MP, Minister of State for Digital Government and Data at the Department for Science, Innovation and Technology confirms that this Explanatory Memorandum meets the required standard.

2.2 Shruti Kohli, Deputy Director for Data Strategy, at the Department for Science, Innovation and Technology confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Sadia Siema at the Department for Science, Innovation and Technology can be contacted with any queries regarding the instrument: 07860693178

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument extends an existing power in the Digital Economy Act 2017 (the "DEA 2017") that enables data sharing between public authorities and energy suppliers. The changes made by this instrument will enable the reduction or cancellation of customers' debt to their energy supplier in certain circumstances. For example, the Regulations will specifically permit the sharing of information to support the delivery of a Debt Relief Scheme (the "DRS") Ofgem, the energy regulator for Great Britain.

4.2 The instrument also amends the Digital Government (Disclosure of Information) Regulations 2018 (SI 2018/912) (the "2018 Regulations") to add the Department for Energy, Security and Net Zero ("DESNZ") and the Department for Science, Innovation and Technology ("DSIT") to the list of specified persons that may share information with other specified persons for the purpose of supporting people in fuel poverty. The addition of DESNZ is necessary as a result of a transfer of relevant functions to it in 2023. The addition of DSIT is necessary to allow it, as the centre of digital government, to access and share data where appropriate in support of fuel poverty initiatives, improving the coordination and the effective delivery of support across government.

Where does the legislation extend to, and apply?

4.3 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales, and Scotland.

4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales, and Scotland.

5. Policy Context

What is being done and why?

5.1 The Government is committed to supporting households affected by rising energy costs by enabling data sharing, ensuring that targeted support can be delivered to those most in need.

5.2 Section 36 of the DEA 2017, in Chapter 1 of Part 5 of that Act, provides a power for a specified person to disclose information they hold in connection with their functions to an energy supplier for the purpose of assisting people living in fuel poverty by reducing their energy costs, improving efficiency in their use of energy or improving their financial well-being. Fuel poverty is defined in section 36 as the relationship between a household's annual income and the cost of maintaining a reasonably warm home. A "specified person" is a public authority, or a person who provides services to a public authority, that is listed in Schedule 5 to the DEA 2017. Section 36(3) describes a limited number of fuel poverty measures for which information may be shared through the exercise of the section 36 power.

5.3 High energy prices during the energy crisis increased the number of households in debt to their energy supplier, and the overall amount owed. High levels of debt and arrears have negative effects on indebted customers and the wider energy market, as the costs of writing-off unrecoverable debts are socialised across all customers. The proposed data sharing is a cost-effective way of supporting eligible customers whilst minimising any additional costs to customer bills. The DRS is a targeted intervention to provide debt relief to vulnerable customers who accrued energy debt during the crisis and allow suppliers to clear a proportion of these debts. Suppliers will use their existing systems and expertise to write off eligible debt in a phased manner, with the first phase targeting customers in receipt of means-tested benefits as a proxy for low income, subject to those customers meeting other eligibility and engagement criteria. The DRS aims to target eligible debt accrued by vulnerable customers during the crisis, which will seek to deliver improved payment behaviour to benefit all consumers in the mid-to long term. Under the DRS, the Gas and Electricity Markets Authority (Ofgem) may impose debt relief requirements on licensed gas and electricity suppliers using existing statutory powers under the Gas Act 1986 and the Electricity Act 1989.

5.4 To deliver the scheme, Ofgem will impose and oversee standardised supplier obligations on debt relief; which will require specified bodies such as the Department for Work and Pensions (DWP) to share limited and specifically defined data with licensed suppliers for the purposes of identifying eligible households and administering support in a fair, consistent, and efficient manner.

5.5 The DRS is expected to assist eligible domestic customers with energy debt accumulated during the energy crisis that began in Q2 2022. The scheme aims to clear approximately £500 million - £1 billion of outstanding energy debt for eligible individuals and households that accumulated energy debt during the energy crisis.

5.6 The power in section 36 of the DEA 2017 does not currently enable delivery of the DRS because the relevant requirements Ofgem imposes on energy suppliers do not fall within any of the fuel poverty measures described in section 36(3). Persons specified in Schedule 5 may not currently therefore disclose information in relation to those requirements. This instrument amends list of fuel poverty measures in section 36(3) to enable such persons to disclose information to energy suppliers for use in connection with requirements imposed on those suppliers by Ofgem for the reduction or cancellation of customers' debt to their energy supplier in certain circumstances. This will enable the delivery of the DRS and other similar future schemes.

5.7 Section 35(1) of the DEA 2017 enables a specified person to disclose information it holds in connection with its functions to another specified person for the purposes of an objective which is a specified objective in relation to both parties. Schedule 4 to the DEA 2017 provides a list of specified persons, which may be amended through regulations under section 35(3). Only public authorities or persons providing services to public authorities may be specified in Schedule 4.

5.8 The objectives, and the particular specified persons in relation to those objectives, are set out in regulations made under section 35(7) - namely the 2018 Regulations (as amended by the Digital Government (Disclosure of Information) (Amendment) Regulations 2022 (SI 2022/1098)) and the Digital Government (Disclosure of Information) (Identity Verification Services) Regulations 2024 (SI 2024/64).

5.9 One of the objectives in the 2018 Regulations enables certain specified persons to share information for the purpose of providing assistance to people living in fuel poverty by reducing the energy costs, improving efficiency in their use of energy or improving their health or financial well-being (the "Fuel Poverty Objective").

5.10 As originally enacted, paragraph 6 of Schedule 4 to the DEA 2017 included the Secretary of State for Business, Energy and Industrial Strategy ("BEIS"). The Secretary of State for BEIS was listed as a specified person in relation to the Fuel Poverty Objective in the 2018 Regulations.

5.11 As part of a machinery of government change, the Transfer of Functions (National Security and Investment Act 2021 etc) Order 2023 (SI 2023/424) (the "2023 TFO") transferred BEIS' energy functions under section 35(1) of the DEA 2017 to DESNZ. The 2023 TFO made some consequential amendments to the list of specified persons in Schedule 4 to the DEA 2017 but omitted some consequential amendments to the 2018 Regulations. As a result of this omission, DESNZ is not current listed as a specified person in relation to the Fuel Poverty Objective in the 2018 Regulations. This instrument would remedy that omission.

5.12 This instrument would also add DSIT as a specified person in relation to the Fuel Poverty Objective to allow it, as the centre of digital government, to access and share data where appropriate in support of future fuel poverty initiatives, improving the coordination and the effective delivery of support across government.

What was the previous policy, how is this different?

5.13 Since the start of the energy crisis in 2022, levels of debt and arrears in the energy sector have increased significantly. While the number of domestic customer accounts in debt had returned to pre-crisis levels, the number of customers in arrears had increased. Subsequently, the combined number of accounts in debt and arrears had broadly stabilised, indicating that ongoing growth in total debt and arrears was being driven by consumers already in financial difficulty.[1] In light of these trends, the Government considers it appropriate to extend support to households in financial difficulty who are not currently captured by existing fuel poverty schemes. This reflects a broader policy approach that goes beyond traditional fuel poverty measures to include households experiencing energy debt. To support this, the instrument enables public authorities to share information for the purpose of identifying and assisting households in energy debt.

5.14 This instrument therefore expands the powers in section 36 to allow data sharing for the delivery of the DRS, which was previously beyond the scope of the fuel poverty power in section 36(1) of the DEA 2017.

5.15 The policy relating to the Fuel Poverty Objective in the 2018 Regulations remains unchanged. The objective will continue to enable information to be shared by certain specified persons under the power in section 35(1) of the DEA 2017. The amendment to add DESNZ as a specified person in relation to the Fuel Poverty Objective simply corrects an earlier omission and does not alter the underlying policy intent.

5.16 The government is however taking forward a broader programme to improve data sharing across the public sector to deliver more targeted and effective support. In January 2026, it announced plans to launch a series of Kickstarter projects under the National Data Library programme, to explore innovative approaches to data access and use. One of these projects focuses on linking data about household circumstances (including earnings, benefits and energy usage) to enable more targeted energy bill support.

5.17 As the department leading this cross-government data initiative, DSIT will play a central role in facilitating the sharing of such data. It is therefore appropriate to add DSIT as a specified person in relation to the Fuel Poverty Objective, enabling it to share information with other public authorities to support the potential identification of, and assistance to, households that would benefit from targeted energy support, and to provide a clear legal gateway for data sharing in support of future fuel poverty policy and delivery work.

[1] https://www.ofgem.gov.uk/sites/default/files/2024-12/Resetting_the_energy_debt_landscape_the_case_for_a_debt_relief_scheme.pdf

6. Legislative and Legal Context

How has the law changed?

6.1 In relation to the amendments to the fuel poverty power in section 36 of the DEA 2017, regulation 2 of this instrument exercises the power in section 36(5)(c) to add fuel poverty measures to section 36(3). The new measures permit the disclosure of information by specified persons to energy suppliers so that the suppliers can use it to meet a debt relief requirement set by Ofgem. Ofgem imposes this requirement under its statutory powers to help people in fuel poverty by improving their financial situation. A "debt relief requirement" is defined as meaning a requirement to reduce or cancel the debts of, or otherwise assist, domestic customers who are in debt to their energy supplier.

6.2 In relation to the amendments to the Fuel Poverty Objective in the 2018 Regulations, Schedule 4 to the DEA 2017 lists specified persons for the purpose of section 35(1) of the DEA 2017 in separate paragraphs. Paragraph 1(2)(c)(i) of the Schedule to the 2018 Regulations identifies the specified persons that may rely on the Fuel Poverty Objective by reference to certain paragraph numbers in Schedule 4, including (among others) paragraph 6. As originally enacted, paragraph 6 referred to the Secretary of State for BEIS.

6.3 The 2023 TFO transferred certain functions to the Secretaries of State for newly created government departments, including DESNZ, DSIT and the Department for Business and Trade ("DBT"). The 2023 TFO amended paragraph 6 of Schedule 4 to the DEA 2017 to refer to the Secretary of State for DBT and added new paragraphs 9A and 9B that specify the Secretaries of State for DESNZ and DSIT respectively. Regulation 3 of this instrument exercises the power in section 35(7) to amend paragraph 1(2)(c)(i) of the Schedule to the 2018 Regulations to add references to paragraphs 9A and 9B, identifying the Secretaries of State for DSIT and DESNZ as specified persons who may rely on the Fuel Poverty Objective.

Why was this approach taken to change the law?

6.4 In relation to the amendments to the fuel poverty power in section 36 of the DEA 2017, exercising the power in section 36(5)(c) of the DEA 2017 to amend section 36(3) is the only possible approach to make the necessary changes.

6.5 Exercising the power in section 35(7) of the DEA 2017 is the only possible approach to make the necessary change to add DESNZ and DSIT as specified persons who may rely on the Fuel Poverty Objective in the 2018 Regulations.

7. Consultation

Summary of consultation outcome and methodology

7.1 Section 44(4) of the DEA 2017 requires the Secretary of State to consult specified persons before making regulations under Chapter 1 of Part 5 of the Act, as well as such other persons as the Secretary of State considers appropriate. The Government held a public consultation on the policy to amend the fuel poverty power in section 36 of the DEA 2017 between July 2025 and September 2025 to seek views on amending section 36. The consultation received 42 responses. Respondents included individuals, charities/non-profit organisations, local government bodies, energy/utility companies, civil society groups and others. Respondents welcomed the proposal to amend section

36 to enable data sharing for the delivery of the DRS recognising that this would allow for vital support to reach eligible households. Comments also highlighted the need for maintaining robust data protection and privacy standards when sharing data under the amended provisions.

7.2 Further details on the views of respondents to the consultation, together with the Government's response to the consultation can be found on GOV.UK.[2]

7.3 Persons specified in section 44(4) of the DEA 2017 – Commissioners for His Majesty's Revenue and Customs, the Information Commissioner and Ministers of the Devolved Administrations - were also consulted on the proposed addition of DESNZ and DSIT as specified persons in relation to the Fuel Poverty Objective in the 2018 Regulations. All Devolved Governments were content and no changes were made as a result.

8. Applicable Guidance

8.1 All persons who are involved in disclosing information under the power section 36 of the DEA 2017 must have regard to the Code of Practice, issued by the Secretary of State.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because this policy does not engage the Better Regulation Framework.

Impact on businesses, charities and voluntary bodies

9.2 The impact on business, charities or voluntary bodies is that the proposed Debt Relief Scheme will reduce customer debt, benefiting customers in financial distress and suppliers, with limited and proportionate administrative requirements falling on suppliers, and no significant impact on charities or voluntary bodies.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no, or no significant, impact on the public sector because the regulations enable existing functions to be delivered more effectively and do not impose new duties on public authorities.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring of this legislation will be an expanded annual assessment of the effectiveness of Chapter 1 of Part 5 of the DEA 2017 submitted to the relevant Minister. This annual assessment began following commencement of the Digital Government (Disclosure of Information) Regulations 2018 and will include this legislation following commencement of this instrument.

10.2 The instrument does not include a statutory review clause.

[2] https://www.gov.uk/government/consultations/expanding-the-information-sharing-powers-in-part-5-chapter-one-of-the-digital-economy-act-2017-to-support-passported-benefits-reduce-fuel-poverty

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 Article 36(4) of the UK GDPR requires the Secretary of State to consult the Information Commissioner when preparing a legislative measure to be adopted by Parliament. The Information Commissioner was consulted on all of the measures in this instrument, as required by section 44(4)(a) of the DEA 2017. To the extent that Article 36(4) of the UK GDPR required the Secretary of State to consult the Information Commissioner on the measures in this instrument, that obligation has therefore been complied with.

11.2 Article 36(4) is not cited in the preamble to this instrument as paragraph 3.11.28 of Statutory Instruments Practice states "The preamble should set out the fulfilment of any condition that the enabling Act requires before the SI can be made". The UK GDPR is not the enabling Act for this instrument.

11.3 Furthermore, the SI Registrar has confirmed that the free issue procedure applies to this instrument as it corrects a defect in the 2023 TFO, namely the omission of a consequential amendment.

12. European Convention on Human Rights

12.1 The Minister of State for Digital Government and Data at the Department of Science, Innovation and Technology has made the following statement regarding Human Rights: "In my view the provisions of the Digital Government (Disclosure of Information) Regulations 2026 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").