EXPLANATORY MEMORANDUM TO

THE INFECTED BLOOD COMPENSATION SCHEME (AMENDMENT) REGULATIONS 2025

2025 No. [XXXX]

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Cabinet Office 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 Nick Thomas-Symonds, Minister for the Cabinet Office and Paymaster General at the Cabinet Office confirms that this Explanatory Memorandum meets the required standard.

2.2 James Quinault, Director General for Public Inquiries Response at the Cabinet Office confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 The Infected Blood Inquiry Response Team at the Cabinet Office can be contacted by email at the following address with any queries regarding the instrument: ibiresponse@cabinetoffice.gov.uk

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 The Infected Blood Compensation Scheme (Amendment) Regulations 2025 ("the Regulations") amend the Infected Blood Compensation Scheme Regulations 2025 to make revisions to the Infected Blood Compensation Scheme ("the scheme") in line with the recommendations provided on the scheme by the Infected Blood Inquiry ("the Inquiry") in its Additional Report on Compensation published in July 2025, alongside other changes necessary for the delivery of the compensation scheme as intended.

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England, Wales, Scotland, and Northern Ireland (i.e. UK wide).

4.3 The territorial application of this instrument will include eligible infected and affected people, wherever they are located, as set out in the Infected Blood Compensation Scheme Regulations 2025.

5. Policy Context

What is being done and why?

5.1 The Infected Blood Compensation Scheme was fully established in law in March 2025, through the Infected Blood Compensation Scheme Regulations 2025. Those regulations gave the Infected Blood Compensation Authority ("IBCA") all the powers it needed to deliver the scheme to all eligible infected and affected people.

5.2 The Infected Blood Inquiry held further hearings in May 2025 on the Government's response to compensation. Across two days, the Inquiry heard evidence from: a panel of infected blood community representatives; the Minister for the Cabinet Office; the Interim Chair of IBCA and the Interim Chief Executive of IBCA; and the Director General for Public Inquiries Response in the Cabinet Office.

5.3 Following this, the Inquiry published an Additional Report on 9 July 2025[1]. The report made 26 recommendations across nine key areas, with 15 of those recommendations being for the Government to consider on the design of the compensation scheme. Recommendations for IBCA on the delivery of compensation are being addressed by IBCA.

5.4 On 21st July, the Government immediately accepted seven of these 15 recommendations. Five of these seven require further legislation, and these Regulations implement those changes to the compensation scheme.

5.5 The other two recommendations accepted immediately can be implemented without legislation: specifically, the joint implementation of a transparency mechanism by IBCA and the Cabinet Office to respond to the concerns about the scheme; and the reinstatement of support scheme payments to some bereaved partners.

5.6 The Government does not expect that these changes will impact the speed of IBCA's current delivery of the scheme as it stands. The Government has made this expectation clear[2].

5.7 As the Inquiry itself proposed, the remaining eight recommendations will be subject to a consultation with the community. Following this consultation, the Government will make final decisions on further changes to the scheme, and those changes will be implemented via further, more substantial, regulations, which are expected in 2026.

Delivery of compensation

5.8 The delivery of compensation is the responsibility of IBCA, as an operationally independent body, as set out in the Victims and Prisoners Act 2024. As a result of the changes being made to the scheme through these Regulations, IBCA will need to update some individuals' awards where they have already received their compensation payment, but individuals will not need to reapply. It is an operational decision for IBCA to determine the process for this review.

5.9 IBCA met its commitment to contact everyone infected and registered with a support scheme ("registered infected") to start their claim by the end of September 2025.

[1] https://www.infectedbloodinquiry.org.uk/reports/additional-report-compensation

[2] https://hansard.parliament.uk/Commons/2025-07-21/debates/60EECC75-B8CF-4B55-B014-17409F958803/InfectedBloodInquiryAdditionalReport

5.10 IBCA expects the first claims for those who are living with infection and not registered with a support scheme to start in November, and IBCA have started designing the service for this group. IBCA will also start the first claims for deceased infected individuals, and affected people, by December 2025. Once IBCA has started claims for these three groups and increased the claim numbers they can handle for each, the groups will be progressed in parallel in line with one of the Inquiry's Additional Report recommendations for IBCA. IBCA has also launched a 'register your intent to claim' service, to capture details of those who will be bringing forward a claim.

5.11 The Inquiry made a number of other recommendations for IBCA relating to speed and transparency of delivery. The interim Chair and interim CEO of IBCA have confirmed their acceptance of these recommendations, which do not require legislative change from the Government to implement.

Cost

5.12 As of October 2025, IBCA had paid over £1.3 billion in compensation to registered infected people. This is in addition to the over £1.2 billion paid by the Government in interim compensation payments to infected people, bereaved partners and estates.

5.13 The estimated total cost of compensation, as established by the Infected Blood Compensation Scheme Regulations 2025, is £11.8 billion for the 2024/25 to 2029/30 financial period. The ultimate costs will depend on the number of eligible people who come forward. The Government will update on the forecast costs at Autumn Budget 2025.

5.14 The policy changes made to the scheme that the Government announced following the Inquiry's Additional Report are currently estimated to cost around £1 billion in further compensation payments. This estimate is only indicative at this stage, and the total cost will change depending on the outcome of the upcoming consultation with the community.

What was the previous policy, how is this different?

5.15 The bulk of the scheme, as set out in the Infected Blood Compensation Scheme Regulations 2025, still stands. The Government has published explanatory detail on the existing compensation framework[3].

5.16 These Regulations make targeted changes to the existing compensation scheme, in line with changes in Government policy as recommended by the Inquiry. These changes are made within the framework of the existing compensation scheme.

5.17 There regulations also make a number of small adjustments to ensure the compensation scheme works as was intended when it was established by the Government in the 2025 Regulations.

5.18 Further detail is set out below on the changes in the regulations which are seeking to implement new policy.

[3] https://www.gov.uk/government/publications/infected-blood-compensation-scheme/government-update-on-the-infected-blood-compensation-scheme-html.

HIV Start Dates

5.19 These Regulations remove the 1982 start date for eligible HIV infections, as recommended by the Inquiry. This will mean that anyone who contracted HIV as a result of treatment with infected blood or blood products before 1st November 1985 will be eligible for compensation, regardless of when the infection occurred. For the purposes of calculating financial loss, compensation is only payable in respect of the period after 1952.

Affected estates

5.20 Prior to its Additional Report, the Inquiry recommended that the estates of deceased affected people should not be eligible to claim compensation on the affected person's behalf, as doing so would 'cast the net too widely'.

5.21 In its Additional Report, however, the Inquiry stated that the length of time being taken to deliver compensation had disadvantaged affected people who are older or who are in ill health. The Inquiry, therefore, recommended that where an eligible affected person has died or dies between 21 May 2024 and 31 December 2029, their compensation becomes part of their estate.

5.22 These Regulations implement that recommendation, and extend the dates of eligibility to those who died or die between 21 May 2024 and 31 March 2031. This is in line with the last date an affected person can submit an application for compensation if the relevant infected person is diagnosed before 1 April 2025. Affected estates outside of that date range will not be eligible to claim compensation, in line with previous Government policy and Inquiry recommendations.

Evidence of date diagnosis

5.23 The date of diagnosis of a person infected with Hepatitis B or C does not impact the calculation of their core route compensation. In order to aid processing of claims quicker, these Regulations remove the requirement for people with Hepatitis B or C to evidence their date of diagnosis with those infections when they apply to the scheme. This is as recommended by the Inquiry.

Deeming of severity bands

5.24 In its Additional Report, the Inquiry states that the deeming of the level of hepatitis in the scheme, under the 2025 Regulations, is based solely on the application date, which disadvantages those who have evidence of reaching a higher severity level at an earlier point, but lack records showing the progression before that point.

5.25 These Regulations implement the Inquiry's recommendation by deeming those who were diagnosed with a level 4 Hepatitis infection, but are unable to evidence disease progression before that point, to have spent up to six years prior to this with a level 3 infection and be compensated accordingly.

Effective treatment for Hepatitis B and C

5.26 Until now, the scheme assumed that the introduction of effective treatments for Hepatitis B and/or C would have increased the ability of someone infected with those illnesses to return to work, or return to work at the same level as prior to their infection. The effective treatment dates for these infections are 2009 for Hepatitis B infections, and 2016 for Hepatitis C. This impacted the calculation of the Financial Loss award.

5.27 In line with the Inquiry's recommendation, these Regulations will ensure the scheme offers a route through which infected people can show that they were unable to return to work, or unable to work at the assumed level, even after the introduction of effective treatments. These Regulations do this by removing the earnings floor on the supplementary route Exceptional Loss award for Financial Loss, to ensure that a route is available for infected people to present evidence on their actual earnings loss.

IBSS Transfer dates

5.28 There are four existing Infected Blood Support Schemes ("IBSS"), which provide financial and other support to some victims of infected blood. These are delivered by the devolved Governments and the Department for Health and Social Care in England. The IBSS provided ex-gratia support to people who were infected with Hepatitis C and HIV through contaminated NHS blood or blood products. Bereaved partners and some dependent children were also supported by the IBSS.

5.29 Where a person registered with one of the four IBSS before 1 April 2025, the scheme allows for the continuation for life of the regular IBSS payments as part of their compensation award from IBCA.

5.30 The 2025 Regulations set dates for the responsibility of making support scheme payments to transfer to IBCA from IBSS. This transfer of responsibility was due to take place in a phased approach from January to March 2026.

5.31 The Government has, however, now agreed an approach with IBCA to speed up the delivery of compensation. As part of this approach, IBCA have requested that the transfer of support scheme payments be delayed, to permit them to commit resources to accelerating the delivery of compensation to pay or make offers to all registered living infected individuals this calendar year and to open to all cohorts by the end of the year.

5.32 These Regulations amend the transfer dates, to delay the transfer by one calendar year, now taking place through a phased approach from January to March 2027. The IBSS will continue to deliver support scheme payments until this point. There will be no impact on recipients. Cabinet Office, IBCA, DHSC and Devolved Governments will continue to work with the IBSS Administrators to make sure the transition when it now takes place in 2027 proceeds smoothly.

Bereaved partner support scheme payments

5.33 In the response to the Additional Report, the Government committed to re-opening bereaved partner applications to the IBSS for those bereaved after 1 April 2025. These Regulations amend the 2025 Regulations to allow IBCA to pay 100% of the value of the infected individual's support scheme payment to the bereaved partner for the 12 month period following the date of death of the infected individual. After that point bereaved partners will receive 75% for life, in line with the entitlement for partners bereaved before 1 April 2025.

Other amendments to the Scheme

5.34 As set out in paragraph 5.17, there are also a number of other changes made by these regulations, to ensure the compensation scheme functions correctly and in line with Parliament's intent when the 2025 Regulations were established. Details on these are set out below:

Severe health condition award

5.35 The regulations amend the 2025 regulations to ensure they reflect the policy position set out in the Government explainer of the scheme Infected Blood Compensation Scheme summary[4] (published in February 2025). Specifically, these changes will ensure that infected persons who developed a secondary psychotic disorder caused by their Hepatitis B or C infection, or by interferon treatment, are eligible for a Severe Health Condition award, in line with advice from the Infected Blood Inquiry Response Expert Group.

End of life care

5.36 Clarification of the current regulations is required to ensure care packages are correctly configured for individuals with co-infections. Specifically, where an individual has a co-infection with Hepatitis C or HIV and an acute Hepatitis B infection that results in death during the acute phase, the regulations need to be amended to ensure that only a single end-of-life care package is awarded.

Infected organs transplant Scheme

5.37 The regulations include a provision following the discovery of an NHS transplant Scheme[5], established in 2019 which allows for individuals to knowingly agree to receive a transplant of an organ which is infected (primarily with Hepatitis C). The NHS Scheme is aimed at people who have rare blood groups or tissue types and are more likely to die while waiting for a transplant. An individual who consents to a transplant under this Scheme would not be eligible for compensation from the NHS.

5.38 Therefore, the draft regulations include a provision which matches the conditions of the NHS Scheme. This means for example, that if someone knowingly accepts a transplant of an organ infected with Hepatitis C, understanding the risks, they will not be eligible to claim compensation for Hepatitis C from IBCA. Compensation entitlement for any previous infection remains unaffected. The draft regulations state that the exclusion applies only if a person knowingly consented to receive an organ or tissue that was infected at the time of the transplant. It does not exclude individuals who were only aware of a general risk of infection from receiving blood or blood products

Switching payment type

5.39 These regulations make changes to ensure that individuals can switch between their IBSS payments and a core award, and between periodic payments and a lump sum after receiving their compensation. This has been made in response to feedback from the community, particularly where individuals have had a change in circumstances.

Definition of "relevant person"

5.40 Minor changes are made to the drafting of the 2025 Regulations to make sure that the infected person, when represented by a Power of Attorney, will always receive the payment directly. Previously under the March 2025 regulations the payment would have been made to the person holding Power of Attorney. This brings the regulations in line with the Government's original policy intent, that the infected person will

[4] https://www.gov.uk/government/publications/infected-blood-compensation-scheme/government-update-on-the-infected-blood-compensation-scheme-html#annex-c-severe-health-conditions-eligible-for-supplementary-route-awards

[5] https://www.cuh.nhs.uk/patient-information/the-use-of-organ-transplants-infected-with-hepatitis-c-in-recipients-who-have-not-been-infected-with-hepatitis-c/

always be the person paid compensation, except where the infected person is a child. In these circumstances, the parent of the infected person may be paid the compensation

6. Legislative and Legal Context

How has the law changed?

6.1 This is new law, using powers under and as required by Part 3 of the Victims and Prisoners Act. Section 48 of the Act established IBCA to administer the compensation scheme and the Regulations amend aspects of the scheme as established in the Infected Blood Compensation Scheme Regulations 2025.

Why was this approach taken to change the law?

6.2 This is the only possible approach to make the necessary changes.

7. Consultation

Summary of consultation outcome and methodology

7.1 The Inquiry held further hearings as a result of the concerns raised by those in the infected blood community regarding the Government's response to compensation, as set out in paragraph 5.2.

7.2 These Regulations consist primarily of changes that the Inquiry recommended should be implemented immediately, as there is a general agreement in the infected blood community that the changes arising from these recommendations are needed.

7.3 The Government and IBCA continue to engage regularly with the infected and affected communities. Since the Government announced the changes to the compensation scheme in July, it has undertaken official level engagement with the community on the changes, and a version of the draft regulations was shared with community representatives ahead of them being laid.

7.4 As per the framework agreement between the Cabinet Office and the IBCA, the Regulations were shared in draft with IBCA, to provide feedback on the operational implementation and delivery of the regulations.

7.5 While IBCA is a UK-wide body, the Scottish, Welsh and Northern Ireland IBSS remain the responsibility of those Devolved Governments, with the English IBSS being the responsibility of the DHSC.

7.6 The Government engaged the Devolved Governments on the details of the transfer of the responsibility to make support scheme payments to IBCA. The Minister for the Cabinet Office engaged with the Health Ministers of each Devolved Governments directly and will continue to do so. Officials from the Devolved Governments were invited to give comments on the draft version of these Regulations.

8. Applicable Guidance

8.1 The details of the Government's response to the Inquiry's Additional Report can be found at: https://www.gov.uk/government/publications/infected-blood-inquiry-additional-report-government-response/infected-blood-inquiry-additional-report-government-response.

8.2 Details of the compensation scheme as established by the 2025 Regulations can be found here: https://www.gov.uk/government/publications/infected-blood-compensation-scheme/government-update-on-the-infected-blood-compensation-scheme-html

8.3 IBCA's website also provides further details on the delivery of the scheme: https://ibca.org.uk/.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 An Equalities Impact Assessment has been prepared and published alongside this Explanatory Memorandum.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies because the regulations do not apply to any organisations within those categories.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no, or no significant, impact on the wider public sector beyond IBCA. The cost of the scheme, including the costs of running the IBCA, has been accounted for in Government budgets and will be demand-led. More detail on cost is included in paragraphs 5.12 to 5.14.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 There is a requirement under the Act for IBCA to prepare an annual report on the exercise of its functions during that financial year. This report must be sent to the Secretary of State or the Minister for the Cabinet Office and laid before Parliament.

10.2 On 16 September 2025, the Minister for the Cabinet Office laid IBCA's first annual report before Parliament[6].

10.3 The Infected Blood Compensation Scheme Regulations 2025 also make provision for the Minister for the Cabinet Office or the Secretary of State to carry out a review of the administration of the scheme by the IBCA under the Regulations.

10.4 In addition, the Minister for the Cabinet Office has asked for a review of IBCA's delivery of the scheme to ensure it is progressing as quickly as possible. This will be supported by the National Infrastructure and Service Transformation Authority, NISTA, and led by an independent reviewer. The review began in August.

[6] https://www.gov.uk/government/publications/annual-report-and-accounts-2024-2025

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 In his oral statement of 21 July 2025[7], the Minister for the Cabinet Office committed to bringing forward a set of regulations as soon as Parliamentary time allows.

11.2 The Regulations amend the previous Statutory Instrument 'The Infected Blood Compensation Scheme Regulations 2025', which was approved by Parliament in March 2025. Those regulations gave the IBCA the powers to pay compensation through the core route for eligible infected people, as well as expanding the scheme to cover supplementary routes for those eligible individuals and both core and supplementary routes for eligible affected people.

11.3 The substance of the 2025 Regulations is largely unchanged, barring the specific changes set out in section 5.

12. European Convention on Human Rights

12.1 The Minister for the Cabinet Office has made the following statement regarding Human Rights: "In my view the provisions of the Infected Blood Compensation Scheme (Amendment) Regulations 2025 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").

[7] https://hansard.parliament.uk/Commons/2025-07-21/debates/60EECC75-B8CF-4B55-B014-17409F958803/InfectedBloodInquiryAdditionalReport