

Public Authorities (Fraud, Error and Recovery) Act 2025

CHAPTER 28

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Public Authorities (Fraud, Error and Recovery) Act 2025

CHAPTER 28

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Public Authorities (Fraud, Error and Recovery) Act 2025

2025 CHAPTER 28

An Act to make provision about the prevention of fraud against public authorities and the making of erroneous payments by public authorities; about the recovery of money paid by public authorities as a result of fraud or error; and for connected purposes. [2nd December 2025]

BE IT ENACTED by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

PART 1

FUNCTIONS EXERCISABLE ON BEHALF OF PUBLIC AUTHORITIES

CHAPTER 1

KEY CONCEPTS

1 Core functions of the Minister for the Cabinet Office

(1) The Minister for the Cabinet Office ("the Minister") has the following functions ("the core functions")—

(a) investigating suspected fraud against public authorities,

(b) recovering amounts mentioned in subsection (2),

(c) taking enforcement action in connection with fraud against public authorities, and

(d) providing support to public authorities in relation to preventing and tackling fraud against them.

(2) The amounts are—

(a) payments made as a result of fraud or error that—

(i) the Minister has identified or confirmed during the course of an investigation in respect of suspected fraud against a public authority, and

(ii) the public authority is entitled to recover,

(b) any other amount that a public authority is entitled to recover in respect of fraud, and

(c) any interest that a public authority is entitled to recover in respect of an amount within paragraph (a) or (b).

(3) In this Part, amounts within subsection (2) are referred to as "recoverable amounts".

2 Interaction with other public authorities etc

(1) The Minister may—

(a) investigate or take enforcement action in respect of suspected fraud against another public authority, or

(b) recover money on behalf of another public authority,

only at the request of that public authority or if the Minister considers that it is necessary in the public interest to do so.

(2) The Minister may not act as mentioned in subsection (1) on behalf of, or in relation to—

(a) the Secretary of State with responsibility for social security, or

(b) His Majesty's Revenue and Customs.

(3) The Minister may charge another public authority a fee in relation to the exercise of functions under this Part on behalf of, or in relation to, the public authority.

(4) References in this Part to any public authority include the Minister in any case relating to—

(a) fraud or suspected fraud against the Minister, or

(b) the recovery of money for the Minister.

(5) Nothing in this Part affects—

(a) whether a public authority is entitled to recover an amount, or

(b) functions that a public authority has in respect of fraud and the recovery of money,

otherwise than by virtue of this Part.

CHAPTER 2

INVESTIGATORY POWERS

Information

3 Information notices

(1) The Minister may require a person ("P") to give specified information to the Minister where the Minister considers that—

(a) it is necessary and proportionate to do so for the purpose of exercising the Minister's functions under section 1(1)(a) to (c), and

(b) the information relates to a person (whether or not P) whom the Minister has reasonable grounds to suspect has committed fraud against a public authority.

(2) The power conferred by subsection (1) is to be exercised by giving P a notice (an "information notice").

(3) An information notice must identify (by name or description) the person suspected of having committed fraud as mentioned in subsection (1)(b).

(4) An information notice must set out—

(a) how, where and the period within which the information must be given to the Minister in order for the recipient of the notice to avoid being liable to a penalty under section 54;

(b) information about the consequences of not complying with the notice.

(5) The period mentioned in subsection (4)(a) must not be less than 10 working days beginning with the day after the day on which the information notice is given.

(6) The power under this section to require P to give information to the Minister includes the power to—

(a) take copies of or extracts from information;

(b) require P to provide information in a specified form;

(c) require P to retain information that P would not otherwise retain;

(d) if any specified information is not given to the Minister, require P to state, to the best of P's knowledge and belief, both where that information is and why it has not been given to the Minister.

(7) An information notice under this section may not require the giving of—

(a) journalistic material, or

(b) excluded material,

within the meaning of the Police and Criminal Evidence Act 1984 (see sections 11 to 13 of that Act; see section 7(2)(b) of this Act for provision about production orders).

(8) In this section, "specified" means—

(a) specified, or described, in an information notice, or
(b) falling within a category that is specified, or described, in an information notice.

4 Reviews

(1) A person to whom an information notice is given under section 3 may apply to the Minister for a review of the decision to give the notice.

(2) An application under subsection (1) must be made within the period of 7 days beginning with the day after the day on which the notice is given.

(3) Where an application is made under subsection (1), the Minister must review the decision to give the notice.

(4) On the review, the Minister may—
(a) revoke the notice,
(b) uphold the notice, or
(c) vary the notice.

(5) After a review has been carried out, the Minister must—
(a) notify the person who applied for the review of the outcome of the review, and
(b) if the outcome was to vary the notice, give the person the varied notice.

(6) Where an information notice is upheld or varied on a review, the period mentioned in section 3(4)(a) is to be treated as beginning on the day after the day on which the outcome of the review is notified to the person to whom the information notice was given.

5 Information sharing

(1) A public authority may disclose information to the Minister for the purpose of facilitating the Minister's exercise of the core functions.

(2) The Minister may use information disclosed under subsection (1) only for the purpose of exercising the core functions.

(3) The Minister may disclose information to another person for the purpose of exercising the core functions.

(4) Where the Minister discloses information to a person under subsection (3), the person may not—
(a) use it for any purpose other than the purpose for which it was disclosed, and
(b) may not disclose it to any other person,
without the consent of the Minister.

6 Amendment of the Investigatory Powers Act 2016

In the Investigatory Powers Act 2016, in Schedule 4 (relevant public authorities and designated senior officers etc), in the table in Part 1, before the entry for the Common Services Agency for the Scottish Health Service insert—

"Cabinet Office, so far as relating to the Public Sector Fraud Authority	60A(7)(b)				".

Powers of entry, search and seizure etc

7 Police and Criminal Evidence Act 1984 etc powers

(1) The provisions of the Police and Criminal Evidence Act 1984 listed in subsection (2) apply in relation to investigations of offences of fraud against a public authority that are conducted by authorised investigators in the exercise of the Minister's function under section 1(1)(a) as they apply in relation to investigations of offences conducted by police officers, subject to the modifications in Schedule 1.

(2) The provisions are—

(a) section 8(1) to (5) (power of justice of the peace to authorise entry and search of premises);

(b) section 9(1) and Schedule 1 (special provisions as to access);

(c) section 15 (search warrants: safeguards);

(d) section 16 (execution of warrants);

(e) section 19 (general power of seizure etc);

(f) section 20 (extension of powers of seizure to computerised information);

(g) section 21 (access and copying);

(h) section 22 (retention);

(i) sections 10 to 14, 23 and 118 (interpretation provisions), so far as necessary for the application of the provisions mentioned in paragraphs (a) to (h).

(3) An authorised investigator is an individual who is authorised by the Minister to exercise the powers conferred by this section.

(4) An individual may not be an authorised investigator unless the individual—

(a) is employed in the civil service of the state in the Minister's department, and

(b) is a higher executive officer or has a grade that is equivalent to, or higher than, that of a higher executive officer.

8 Disposal of property

(1) A magistrates' court may, on an application by the Minister or a person with an interest in relevant property—

(a) order the delivery of the relevant property to the person appearing to the court to be its owner, or

(b) if its owner cannot be ascertained, make any other order about the relevant property.

(2) An order under subsection (1)(a) may include provision for the Minister to make any changes to the relevant property that the court considers necessary for the purpose of avoiding or reducing any risk of the relevant property being used in the commission of an offence.

(3) An order under subsection (1)(b) may not provide for the destruction or disposal of the relevant property before the end of the period of 6 months beginning with the day on which the order is made.

(4) An order under subsection (1)(b) ("the first order") does not prevent further applications being made for an order under subsection (1) in respect of the relevant property to which the first order applies.

(5) Where an order is made following a further application—

(a) the order may not provide for the destruction or disposal of the relevant property before the end of the period of 6 months beginning with the day on which the first order was made, but

(b) the order may otherwise contain such provision as to the timing of the destruction or disposal of the relevant property as the court thinks fit.

(6) In this section, "relevant property" means tangible property which has come into the possession of the Minister in the course of, or in connection with, the exercise of a function under this Part.

9 Incidents etc

(1) The Police Reform Act 2002 (complaints and misconduct) is amended as follows.

(2) In section 10 (general functions of the Director General)—

(a) in subsection (1), at the end of paragraph (gb) insert ", and

(gc) to carry out such corresponding functions in relation to public sector fraud investigators acting in the exercise of functions conferred on them by section 7 of the Public Authorities (Fraud, Error and Recovery) Act 2025 (Police and Criminal Evidence Act 1984 powers for public sector fraud investigators).",

(b) in subsection (3), after paragraph (be) insert—

"(bf) any regulations under section 26G of this Act (public sector fraud investigators);", and

(c) after subsection (7) insert—

"(7A) In this section, "public sector fraud investigators" means authorised investigators within the meaning given by section 7 of the Public Authorities (Fraud, Error and Recovery) Act 2025."

(3) After section 26F insert—

"26G Public sector fraud investigators

(1) The Minister for the Cabinet Office ("the Minister") may make regulations conferring functions on the Director General in relation to public sector fraud investigators acting in the exercise of functions conferred on them by section 7 of the Public Authorities (Fraud, Error and Recovery) Act 2025 (Police and Criminal Evidence Act 1984 powers for public sector fraud investigators).

(2) Regulations under this section may, in particular—

(a) apply (with or without modifications), or make provision similar to, any provision of or made under this Part;

(b) make provision for payment by the Minister to, or in respect of, the Office or in respect of the Director General.

(3) The Director General and the Parliamentary Commissioner for Administration may jointly investigate a matter in relation to which—

(a) the Director General has functions by virtue of this section, and

(b) the Parliamentary Commissioner for Administration has functions by virtue of the Parliamentary Commissioner Act 1967.

(4) The Minister may disclose information to the Director General or to a person acting on the Director General's behalf, for the purposes of the exercise by the Director General or by any person acting on the Director General's behalf, of a public sector fraud complaints function.

(5) The Director General and the Parliamentary Commissioner for Administration may disclose information to each other for the purposes of the exercise of a function—

(a) by virtue of this section, or

(b) under the Parliamentary Commissioner Act 1967.

(6) Regulations under this section may, in particular, make—

(a) further provision about the disclosure of information under subsection (4) or (5);

(b) provision about the further disclosure of information that has been so disclosed.

(7) A disclosure of information authorised by or under this section does not breach—

(a) any obligation of confidence owed by the person making the disclosure, or

(b) any other restriction on the disclosure of information (however imposed).

(8) No provision made by or under this section authorises a disclosure of information that is prohibited by any of Parts 1 to 7 or Chapter 1 of Part 9 of the Investigatory Powers Act 2016.

(9) In this section—

"public sector fraud complaints function" means a function in relation to the exercise of functions conferred by section 7 of the Public Authorities (Fraud, Error and Recovery) Act 2025;

"public sector fraud investigator" means an authorised investigator within the meaning given by section 7 of that Act."

(4) In section 105 (powers of Secretary of State to make orders and regulations), after subsection (5) insert—

"(6) In this section, references to the Secretary of State include references to the Minister for the Cabinet Office for the purposes of section 26G (power to make regulations about public sector fraud investigators)."

CHAPTER 3

RIGHTS TO RECOVER

Recovery of recoverable amounts

10 Acting for another public authority

(1) The Minister may act under this Part on behalf of another public authority in relation to the recovery of a recoverable amount, including by—

(a) bringing or continuing proceedings in a court or tribunal for an amount (a "claimed amount") which the Minister reasonably believes to be a recoverable amount, and

(b) exercising the powers in Chapter 4 to recover a recoverable amount.

(2) Where the Minister recovers an amount under this Part on behalf of another public authority, the Minister must transfer that amount to the public authority unless the public authority agrees that the Minister may retain some or all of the amount.

11 Recovery notices

(1) Before bringing proceedings in a court or tribunal for a claimed amount on behalf of another public authority, the Minister must give the person from whom the Minister reasonably believes the amount is recoverable (the "liable person") a notice (a "recovery notice").

(2) A recovery notice must—

(a) state that the Minister intends to bring proceedings for the claimed amount,

(b) state the amount of the claimed amount,

(c) provide the Minister's reasons for believing that amount to be a recoverable amount,

(d) invite the liable person to discharge the person's liability in respect of the claimed amount by agreement with the Minister, and set out how this can be done,

(e) set out the further action that may be taken by the Minister under this Part in respect of the claimed amount, including if the liable person's liability for the amount is not settled by agreement, and

(f) state a period during which the Minister will not bring proceedings for the claimed amount in order to give the liable person an opportunity to discharge their liability in respect of the claimed amount by agreement.

(3) The period mentioned in subsection (2)(f) must not be less than 28 days beginning with the day after the day on which the recovery notice is given.

(4) The giving of a recovery notice has effect as the bringing of an action for the recovery of a claimed amount for the purposes of any time limit that would apply in relation to that amount.

12 Restriction on availability of powers: claimed amounts

The Minister may use the methods of recovery in Chapter 4 to recover a claimed amount from a liable person only so far as—

(a) the liable person agrees, or

(b) there has been a final determination by a court or tribunal,

that the amount is a recoverable amount.

Recovery of other amounts

13 Penalties etc

(1) The Minister may exercise the powers in Chapter 4 to recover amounts due in respect of—

(a) a penalty under Chapter 5, and

(b) relevant costs.

(2) For the purposes of this Part, references to—

(a) an "amount due in respect of a penalty under Chapter 5" include late payment interest due in respect of a penalty (see section 62), and

(b) "relevant costs" are to—

(i) costs that are awarded by a court or tribunal on or in relation to a claim for a recoverable amount, and

(ii) costs that are reasonably incurred by the Minister in exercising the powers in Chapter 4.

14 Restriction on availability of powers: penalties

The Minister may exercise the powers in Chapter 4 to recover an amount due in respect of a penalty only when—

(a) the period for appealing mentioned in section 61(2)(a) has passed without an appeal being brought, or

(b) any appeal against the penalty has been finally determined (see section 74(4)).

CHAPTER 4

METHODS OF RECOVERY

Introduction

15 Payable amounts

In this Part, references to a "payable amount" are to—

(a) a recoverable amount (see section 1(3)), or

(b) an amount within section 13(1).

Recovery as if payable under a court order

16 Recovery orders

(1) The Minister may apply to the county court for a recovery order in respect of a payable amount.

(2) A recovery order is an order providing that the payable amount is recoverable—

(a) under section 85 of the County Courts Act 1984, or

(b) otherwise as if it were payable under an order of the court.

Recovery from bank accounts etc

17 Direct deduction orders

(1) Where a payable amount is recoverable from a liable person who holds an account with a bank, the Minister may make an order (a "direct deduction order") in respect of that account.

(2) A direct deduction order must be given to the bank with which the account is held.

(3) A direct deduction order may be—

(a) a regular direct deduction order, or
(b) a lump sum direct deduction order.

(4) A regular direct deduction order is an order requiring the bank—
(a) to make regular deductions from the liable person's account, and
(b) to pay the amounts deducted to the Minister.

(5) A lump sum direct deduction order is an order requiring the bank—
(a) to deduct from the liable person's account an amount specified in the order, and
(b) to pay that amount to the Minister.

(6) The Minister may give a regular direct deduction order and a lump sum direct deduction order in respect of the same account.

(7) The Minister must give a copy of a direct deduction order to—
(a) the liable person, and
(b) in the case of a joint account, each of the other account holders.

(8) Sections 19 to 21 set out steps that the Minister must take before making a direct deduction order.

18 Accounts which may be subject to a direct deduction order

(1) The Minister may make a direct deduction order in respect of any account which—
(a) is held by a liable person, and
(b) contains an amount in which the Minister considers the liable person has a beneficial interest.

(2) The Minister may make a direct deduction order in respect of a joint account only if the liable person does not hold a sole account in respect of which a deduction order may be made which would be likely to result in the recovery of the payable amount within a reasonable period of time.

(3) But subsection (2) does not apply if all the joint account holders are liable persons in relation to the same payable amount.

19 Requirement for banks to provide information

(1) Before the Minister makes a direct deduction order in respect of a liable person's account, the Minister must obtain and consider bank statements for the account covering a period of at least 3 months.

(2) To obtain the statements, the Minister must give the bank with which the Minister believes the liable person holds the account a notice (an "account information notice") requiring the bank to give the Minister statements for the account covering—
(a) the 3 months immediately before the notice is given, or

(b) such longer period, ending immediately before the notice is given, as may be specified in the notice.

(3) An account information notice must—

(a) contain the name of the liable person, and

(b) identify the account (for example, by number and sort code).

(4) The Minister may give an account information notice relating to an account only for the purpose of determining whether to make a direct deduction order in respect of the account.

(5) At any time, for the purposes of determining whether to make a direct deduction order in relation to a liable person, the Minister may give a notice (a "general information notice") to a bank requiring the bank to—

(a) identify every account that the liable person holds with the bank,

(b) for each identified account, give the Minister the following information—

(i) a description of the type of account,

(ii) identifiers for the account,

(iii) if the account is a sole account, the balance of the account at the time that it is identified, and

(iv) if the account is a joint account, the name of each other account holder, and

(c) give the Minister—

(i) the correspondence address that the bank holds for the liable person, and

(ii) in the case of a joint account, the correspondence address that the bank holds for each other account holder.

(6) The Minister may give—

(a) more than one account information notice, or general information notice, in relation to the same payable amount;

(b) more than one account information notice in respect of the same account.

(7) A notice under this section must—

(a) set out how and when the bank is to comply with the notice, and

(b) explain that the bank may be liable to a penalty under section 54 if it fails to do so without reasonable excuse.

(8) The bank must comply with a notice given under this section.

(9) Subject to subsection (10), a bank that is given an account information notice, or a general information notice, must not notify any of the following people that the notice has been given—

(a) the liable person;

(b) any other holder of the account in respect of which an account information notice is given;

(c) any other holder of an account identified in accordance with a general information notice.

(10) The prohibition in subsection (9) ceases to apply—

(a) at the end of the period of 3 months beginning with the day on which the account information notice or general information notice is given to the bank, or

(b) if earlier, when the bank is given a notice under section 21(1).

(11) Information given to the Minister in response to a notice under this section may be used by the Minister for the purpose of exercising the core functions but not for any other purpose.

20 Joint accounts

(1) Before making a direct deduction order in respect of a joint account, the Minister must make an assessment of the liable person's beneficial interest in the amounts which are or may be in the account from time to time.

(2) The Minister must presume that the liable person's beneficial interest entitles them to the following share in the amounts which are or may be in the account from time to time—

$$\frac{1}{N}$$

where "N" is the number of account holders.

(3) But the presumption does not apply where the Minister has reason to believe that the liable person's beneficial interest is different from the presumed share.

(4) In making an assessment under subsection (1), the Minister must have regard to—

(a) the bank statements obtained for the account under section 19, and

(b) any responses to a notice under section 21.

21 Further requirements before making a direct deduction order

(1) Before making a direct deduction order, the Minister must give the bank where the account in question is held, the liable person, and, in the case of a joint account, each of the other account holders, a notice—

(a) identifying the account that would be subject to the proposed order,

(b) stating the amount that would be recoverable under the proposed order,

(c) setting out the terms of the proposed order, and

(d) if the account is a joint account, setting out the Minister's duty to make an assessment as to the liable person's beneficial interest and the presumption that applies (see section 20).

(2) The notice must invite the liable person and, in the case of a joint account, each other account holder—

(a) to make representations about the terms of the proposed order, and

(b) in the case of a joint account, to make representations about the liable person's beneficial interest in amounts in the account.

(3) The notice must set out the means by which, and the period within which, representations may be made.

(4) The period must be at least 28 days beginning with the day after the day on which the notice is given.

(5) The Minister must—

(a) consider representations made in accordance with the notice, and

(b) in light of any representations—

(i) in the case of a joint account, make the assessment required under section 20(1), and

(ii) in any case, decide whether, and in what terms, to make a direct deduction order in respect of the account.

(6) A notice under subsection (1) may be given to the bank before it is given to the other persons to whom it is required to be given under that subsection (and for the effect of giving the notice to the bank see section 26 (restrictions on accounts: banks)).

(7) Where a notice is given to the bank in reliance on subsection (6), the notice must be given to the other persons as soon as reasonably practicable after being given to the bank.

(8) If, following the giving of a notice under this section, the Minister decides not to make a direct deduction order, the Minister must, as soon as reasonably practicable, notify the bank, the liable person and, in the case of a joint account, each of the other account holders, of the decision.

22 Amount of deductions

(1) The Minister may make a direct deduction order only if satisfied on the basis of information received by virtue of sections 19 and 21 that the terms of the order—

(a) will not cause the liable person, any other account holder or a person within subsection (2) to suffer hardship in meeting essential living expenses, and

(b) are otherwise fair in all the circumstances.

(2) A person is within this subsection if—

(a) they live with the liable person, or any other account holder, for some or all of the time, or

(b) they are financially dependent on the liable person or any other account holder.

(3) The total amount of deductions to be made under a regular direct deduction order in relation to any period of 28 days must not exceed—

(a) in a case to which subsection (4) applies, 40% of the relevant amount, and

(b) in any other case, 20% of the relevant amount.

(4) This subsection applies in a case where the Minister is satisfied, on the balance of probabilities, that the payable amount to which the regular direct deduction order relates is recoverable from the liable person because the liable person committed fraud.

(5) For the purposes of subsection (3), the "relevant amount" is the amount that the Minister reasonably expects to be credited to the account in question in (or in respect of) a typical month during the period for which the order will have effect, having regard to all statements given to the Minister in relation to the account (see sections 19(2) and 31(1)).

(6) The Minister must ensure that the total amount to be deducted and paid to the Minister under a direct deduction order does not exceed the payable amount to which the order relates.

23 Content and effect of direct deduction orders

(1) A regular direct deduction order must specify—

(a) the amounts to be deducted (see section 22),

(b) when amounts are to be deducted and paid to the Minister, and

(c) the penalties that may be imposed for a failure to comply (see section 54).

(2) A regular direct deduction order may specify different amounts to be deducted at different times.

(3) A lump sum direct deduction order must specify—

(a) the amount to be deducted,

(b) when the amount is to be deducted and paid to the Minister, and

(c) the penalties that may be imposed for a failure to comply (see section 54).

(4) A direct deduction order may not require an amount to be deducted from a person's account before the end of the period of 28 days beginning with the day after the day on which the Minister complies with section 17(7).

(5) A bank must comply with a direct deduction order.

(6) If (apart from this subsection) a bank would be required to make a deduction and payment under a direct deduction order on a day that is not a working day, the obligation to make the deduction and payment applies in relation to the next working day after that day.

24 Bank's administrative costs

(1) A direct deduction order may include provision for the bank to deduct from the liable person's account an amount specified in, or calculated in accordance with, the order, for the purposes of meeting costs reasonably incurred by the bank in complying with the order.

(2) A bank may deduct the costs to which they are entitled under a direct deduction order immediately prior to making the deduction which is to be paid to the Minister under the order.

(3) In complying with section 22(1) and (3) in relation to a direct deduction order the Minister must take account of any deductions to be made under the order by virtue of provision under subsection (1).

25 Insufficient funds

(1) Where the amount in an account is lower than the amount to be deducted in accordance with a lump sum direct deduction order at the time that the bank is (apart from this subsection) required to make the deduction—

(a) no deduction is to be made, and

(b) the bank must notify the Minister as soon as possible.

(2) Where the amount in an account is lower than the amount to be deducted in accordance with a regular direct deduction order at the time that the bank is (apart from this subsection) required to make the deduction—

(a) the order is to be read as requiring the deduction and payment to the Minister to take place on the same day the following week, and

(b) if, on that day, the amount in the account is lower than the amount to be deducted in accordance with the order—

(i) no deduction is to be made, and

(ii) the bank must notify the Minister as soon as possible.

(3) References in this section to the amount to be deducted in accordance with a direct deduction order include any amounts to be deducted in respect of a bank's costs by virtue of provision under section 24(1).

26 Restrictions on accounts: banks

(1) Where a notice under section 21(1) (a "pre-deduction notice") relating to a proposed lump sum direct deduction order, or a lump sum direct deduction order under section 17, is given to a bank in relation to a liable person's account, the bank must—

(a) secure that no transaction takes place (except for any deduction under the order) which would result in the amount in the account falling below the specified amount, or, if the amount in the account is already below that amount, falling any further, or

(b) take the action set out in subsection (2).

(2) The action is to—

(a) transfer the specified amount, or the amount in the account if that is less than the specified amount, from the account into a different account (a "hold account") created by the bank for the sole purpose of holding that transferred amount, and

(b) secure that no transaction takes place (except for any deduction under the order) which would result in the amount in the hold account falling below the amount transferred.

(3) Where a bank takes the action set out in subsection (2) in relation to a lump sum direct deduction order, the order is to be read as if it required the deduction to be made from the hold account.

(4) A bank must ensure that taking the action set out in subsection (2) does not cause any disadvantage to the liable person, and in the case of a joint account, any other account holder, that the liable person, and any other account holder, would not have experienced if the bank had instead acted in accordance with subsection (1)(a).

(5) The requirements in subsection (1) cease to apply when—

(a) in relation to a pre-deduction notice, a notice is given to the bank under section 21(8) (notice of decision not to make a direct deduction order), or a direct deduction order is given to the bank under section 17;

(b) in relation to a direct deduction order—

(i) all the deductions under the order have been made, or

(ii) the order is revoked.

(6) In subsections (1)(a) and (2)(a), "specified" means specified in a pre-deduction notice or direct deduction order.

27 Restrictions on accounts: account holders

(1) Where a notice under section 21(1) (a "pre-deduction notice"), or a copy of a direct deduction order under section 17, is given to a person (other than a bank) in relation to an account, they must not do anything to frustrate the effect of the pre-deduction notice or the direct deduction order.

(2) The requirement in subsection (1) ceases to apply when—

(a) in relation to a pre-deduction notice, a notice under section 21(8) (notice of decision not to make a direct deduction order), or a copy of a direct deduction order under section 17, is given to the person;

(b) in relation to a direct deduction order—

(i) all the deductions under the order have been made, or

(ii) the order is revoked.

(3) In subsection (1), the reference to frustrating the effect of a pre-deduction notice is a reference to frustrating the effect of the proposed direct deduction order the terms of which are set out in the notice.

28 Applications to vary

(1) Any holder of an account to which a direct deduction order applies may apply to the Minister to vary the order.

(2) The Minister must give any other holders of the account an opportunity to make representations in relation to the application.

(3) The Minister must notify the applicant and any other account holders of the Minister's decision on the application.

29 Variation

(1) The Minister may vary a direct deduction order (whether on an application by an account holder or otherwise).

(2) The provisions in this section apply in relation to any variation of a direct deduction order, including one that results from a review under section 34.

(3) Where the Minister proposes to vary a direct deduction order other than under subsection (7), the Minister must give—

(a) the liable person, and

(b) in the case of a joint account, each of the other account holders,

an opportunity to make representations about the proposed variation.

(4) The Minister may comply with subsection (3) at the same time as complying with section 28(2).

(5) A variation to a direct deduction order takes effect when the Minister gives the varied order to the bank or, if later, in accordance with the terms of the order as varied.

(6) The Minister must give a copy of the varied order to the liable person and, in the case of a joint account, each other account holder.

(7) The Minister may vary a direct deduction order so that the order applies to another account held by the liable person (including an account provided by a different bank) only if—

(a) the variation is requested by the liable person, and

(b) if the other account is a joint account, each of the other account holders consents.

(8) Where a direct deduction order is varied under subsection (7)—

(a) if the order is varied so that it applies to an account provided by another bank—

(i) the reference in subsection (5) to "the bank" is to the bank which provides that account, and

(ii) the Minister must notify the bank given the original order of the effect of the variation, and

(b) if the order is varied so that it applies to a joint account—

(i) the requirement in subsection (6) is to give a copy of the order to each other holder of that joint account, and

(ii) if the original order applied to a joint account, the Minister must notify each other holder of that joint account of the effect of the variation.

(9) The steps set out in sections 19 to 21 do not apply to a decision to vary a direct deduction order.

30 Revocation

(1) The Minister may revoke a direct deduction order.

(2) The Minister must revoke a direct deduction order as soon as reasonably practicable after becoming aware that—

(a) the payable amount has been recovered (whether by the Minister or the public authority on behalf of which the Minister is acting), or

(b) the liable person to whom the order relates has died.

(3) Where the Minister revokes a direct deduction order, the Minister must give a notice of the revocation to—

(a) the bank to which the order was given,

(b) the liable person (apart from in a case within subsection (2)(b)), and

(c) in the case of a joint account, each of the other account holders.

31 Further information notices

(1) For the purposes of determining whether to revoke or vary a direct deduction order, the Minister may give a bank a notice (a "further information notice") requiring the bank—

(a) to give the Minister statements for an account held by the liable person covering—

(i) the 3 months immediately before the notice was given, or

(ii) such longer period, ending immediately before the notice was given, as may be specified in the notice;

(b) to take the steps set out in paragraphs (a) to (c) of section 19(5).

(2) Subsections (6) to (8) and (11) of section 19 apply in relation to a further information notice as they apply in relation to a notice under that section.

(3) Before giving a further information notice to a bank requiring statements to be given in respect of a joint account, the Minister must notify each account holder other than the liable person—

(a) that the notice will be given, and

(b) of the effect of the notice.

(4) A further information notice may be given to the bank before, at the same time as or after the Minister complies with section 29(3).

32 Suspension of direct deduction orders

(1) The Minister may suspend and re-start the requirement to make deductions and payments under a regular direct deduction order at any time by notifying the bank to which the order was given.

(2) The Minister must notify the liable person and, in the case of a joint account, each other account holder if the requirement is suspended or re-started under this section.

(3) Where the requirement is suspended for a continuous period of 2 years the regular direct deduction order in question is to be treated as having been revoked at the end of that period.

(4) Where a regular direct deduction order is treated as having been revoked by virtue of subsection (3), the Minister must give notice to that effect to—

(a) the bank to which the order was given,

(b) the liable person, and

(c) in the case of a joint account, each of the other account holders.

(5) Subsection (3) does not prevent the Minister making a further regular direct deduction order in respect of the same liable person and account.

33 Cessation on death of liable person

A bank ceases to be subject to a direct deduction order on becoming aware of the liable person's death.

34 Reviews

(1) This section applies where the Minister—

(a) makes a direct deduction order,

(b) varies a direct deduction order, or

(c) decides not to vary a direct deduction order in response to an application under section 28.

(2) Any of the following persons ("relevant persons") may apply to the Minister for a review of the decision to make, to vary or not to vary the order—

(a) the liable person to whom the order relates, and

(b) in the case of a joint account, any other account holder.

(3) An application under subsection (2) must be made before the end of the period of 28 days beginning with the day after the day on which the applicant was—

(a) given a copy of the order or the order as varied, or

(b) notified of the decision not to vary the order.

(4) An application for a review under this section may not be made on, or include, any ground relating to the existence or amount of a payable amount (unless the amount is said to be incorrectly stated in the order).

(5) Where an application for a review is made under this section, the Minister must review the decision in question.

(6) On the review, the Minister may—
  (a) uphold the decision,
  (b) vary the order, or
  (c) revoke the order.

(7) After a review has been carried out, the Minister must notify the applicant and other relevant persons of the outcome of the review.

(8) See section 29 for provisions about varying a direct deduction order.

35 Appeals

(1) A relevant person may appeal to the First-tier Tribunal against—
  (a) the making of a direct deduction order,
  (b) the variation of a direct deduction order, or
  (c) a refusal to vary a direct deduction order after an application under section 28.

(2) A relevant person may not appeal under subsection (1) in relation to a direct deduction order unless they have—
  (a) applied for a review of the decision to make, to vary or not to vary the order under section 34, and
  (b) been notified of the outcome of the review.

(3) Subsection (2) does not apply where a direct deduction order is varied on a review under section 34.

(4) A relevant person may not bring an appeal under subsection (1) after the end of—
  (a) the period of 28 days beginning with the day after the day on which the person was notified of the outcome of the review, or
  (b) such longer period (if any) as the Tribunal considers reasonable in all the circumstances.

(5) An appeal under subsection (1) may not be brought on, or include, any ground relating to the existence or amount of a payable amount (unless the amount is said to be incorrectly stated in the order).

(6) On an appeal under this section, the First-tier Tribunal may suspend the requirement on a bank to comply with a direct deduction order for some or all of the time until the appeal is finally determined.

(7) On an appeal under subsection (1), the First-tier Tribunal may—
  (a) amend the direct deduction order;
  (b) revoke the direct deduction order;
  (c) dismiss the appeal.

(8) In this section, "relevant person" has the meaning that it has in section 34.

36 Meaning of "bank" etc

(1) For the purposes of direct deduction orders, "bank" means a person who is authorised—

(a) to accept deposits, or

(b) to issue electronic money.

(2) For the purposes of subsection (1)(a)—

(a) the reference to accepting deposits is to carrying on the regulated activity of accepting deposits for the purposes of the Financial Services and Markets Act 2000 (see section 22 of that Act and article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)), and

(b) a person is authorised to accept deposits if they are an authorised person or an exempt person in relation to the carrying on of that activity for the purposes of the Financial Services and Markets Act 2000.

(3) For the purposes of subsection (1)(b), a person is authorised to issue electronic money if—

(a) the person is an electronic money institution, and

(b) the person is authorised or registered under Part 2 of the Electronic Money Regulations 2011 (S.I. 2011/99) in relation to carrying on the activity of issuing electronic money.

(4) In subsection (3), "electronic money" and "electronic money institution" have the meanings given by regulation 2(1) of those Regulations (and references to the issue of electronic money are to be construed in accordance with those Regulations).

(5) In this Part, references to an amount in an account are to an amount standing to the credit of the account.

(6) In this Part, references to a person holding an account include references to—

(a) a person holding an account jointly with one or more other persons,

(b) a person being a signatory, or one of the signatories, to an account, and

(c) an account being, in any other way, in the person's name,

and "holder" is to be read accordingly.

37 Deputies

(1) This section applies where a person (a "deputy") acts on behalf of an account holder (including a liable person) in relation to their account by virtue of—

(a) a power of attorney, or

(b) an appointment by, or an order of, a court.

(2) The following provisions apply in relation to the deputy of the account holder as they apply in relation to the account holder—

(a) section 17(7);
(b) section 19(9);
(c) section 21;
(d) section 27(1);
(e) section 28;
(f) section 29(3), (6) and (8)(b);
(g) section 30(3);
(h) section 31(3);
(i) section 32(2) or (4);
(j) section 34;
(k) section 35.

(3) Section 29(7)(a) and (b) applies in relation to the deputy of the account holder instead of the account holder.

(4) Subsection (5) applies where—
(a) a bank is given—
(i) an account information notice or a general information notice under section 19,
(ii) a notice under section 21,
(iii) a further information notice under section 31, or
(iv) a direct deduction order, and
(b) a deputy acts on behalf of an account holder of an account to which the notice or order relates.

(5) The bank must give the Minister the name and correspondence address that it holds for that deputy (unless the bank has already provided that information).

38 Regulations

(1) The Minister may by regulations make further provision about direct deduction orders.

(2) Regulations under this section may, among other things, make provision about—
(a) how notices and orders are to be given by the Minister;
(b) how notices and information are to be given to the Minister;
(c) the calculation of amounts to be deducted, including—
(i) about establishing whether deductions would cause a person to suffer hardship in meeting essential living expenses, and
(ii) about amounts which are, or are not, to be taken into account in calculating the amounts credited to an account for the purposes of section 22(3);
(d) the duties of banks in relation to direct deduction orders, including before a direct deduction order is made;

(e) costs which a bank may recover by virtue of section 24 or from the Minister;

(f) the interaction between direct deduction orders under this Chapter and similar orders under any other enactment.

(3) Regulations under this section may, among other things, apply sections 17 to 36, as they apply to banks, to other types of person who provide financial products or services (including products or services that operate by reference to cryptoassets or any similar product or service).

(4) In subsection (3), "cryptoasset" has the meaning given in section 84A of the Proceeds of Crime Act 2002.

(5) Before making relevant regulations in reliance on subsection (2)(a), (b), (d) or (e) the Minister must consult—

(a) persons who appear to the Minister to represent the interests of banks, and

(b) such other persons (if any) as the Minister considers appropriate.

(6) Before making relevant regulations in reliance on subsection (3), the Minister must consult—

(a) persons who appear to the Minister to represent the interests of persons to whom provisions about direct deduction orders would be applied by the regulations, and

(b) such other persons (if any) as the Minister considers appropriate.

(7) In this section, "relevant regulations" means—

(a) the first regulations made in reliance on the provisions in question, and

(b) any subsequent regulations made in reliance on those provisions which—

(i) impose new duties on banks, or

(ii) make changes to existing duties or provisions which, in the opinion of the Minister, are more than minor.

(8) Regulations made in reliance on subsection (3) are subject to the affirmative procedure.

(9) Any other regulations under this section are subject to the negative procedure.

Deduction from earnings

39 Deduction from earnings orders

(1) Where an amount is recoverable from a liable person who is employed, the Minister may make a deduction from earnings order.

(2) A deduction from earnings order is an order requiring the liable person's employer—

(a) to make deductions from the liable person's earnings from that employer, and

(b) pay the amounts deducted to the Minister.

(3) The Minister may by regulations make provision about the meaning of "earnings" for the purposes of deduction from earnings orders.

(4) Regulations under this section are subject to the negative procedure.

40 Content and effect of deduction from earnings orders

(1) A deduction from earnings order must set out—

(a) the amounts to be deducted or a method for calculating those amounts,

(b) the periods in relation to which those amounts are to be deducted (the "affected periods"),

(c) when amounts are to be deducted and paid to the Minister, and

(d) the penalties that may be imposed for a failure to comply (see section 54).

(2) The Minister must give—

(a) the deduction from earnings order to the liable person's employer, and

(b) a copy of the order to the liable person.

(3) A deduction from earnings order may not require an amount to be deducted from the liable person's earnings before the end of the period of 22 days beginning with the day on which the order is given to the employer.

(4) An employer must comply with a deduction from earnings order.

41 Requirements before making a deduction from earnings order

(1) Before making a deduction from earnings order in respect of a liable person, the Minister must give the liable person a notice inviting them to make representations about the proposed order.

(2) The notice must include—

(a) the terms of the proposed order,

(b) a statement of the amount that is recoverable, and

(c) the means by which, and the period within which, representations may be made.

(3) The period must be at least 28 days beginning with the day after the day on which the notice is given.

(4) The Minister must—

(a) consider any representations received in accordance with the notice, and

(b) in light of those representations—

(i) decide whether to make a deduction from earnings order in respect of the liable person, and

(ii) make any changes to the terms of the proposed order that the Minister considers appropriate.

(5) The Minister must give a copy of a notice under subsection (1) to the liable person's employer.

(6) If, following the giving of a notice under subsection (1), the Minister decides not to make the proposed deduction from earnings order, the Minister must, as soon as reasonably practicable—

(a) give the liable person a notice to that effect, and

(b) give a copy of the notice to the liable person's employer.

42 Amount of deductions

(1) The Minister may make a deduction from earnings order only if satisfied that the terms of the order—

(a) will not cause the liable person or a person within subsection (2) to suffer hardship in meeting ordinary living expenses, and

(b) are otherwise fair in all the circumstances.

(2) A person is within this subsection if—

(a) they live with the liable person for some or all of the time, or

(b) they are financially dependent on the liable person.

(3) The amount to be deducted in relation to an affected period must not exceed—

(a) in a case to which subsection (4) applies, 40% of the liable person's net earnings for the affected period, and

(b) in any other case, 20% of the liable person's net earnings for the affected period.

(4) This subsection applies in a case where the Minister is satisfied, on the balance of probabilities, that the payable amount to which the deduction from earnings order relates is recoverable from the liable person because the liable person committed fraud.

(5) The Minister must ensure that the total amount to be deducted and paid to the Minister under a deduction from earnings order does not exceed the payable amount to which the order relates.

(6) The Minister may by regulations make further provision about the calculation of amounts to be deducted from a liable person's earnings and paid to the Minister in accordance with a deduction from earnings order.

(7) The regulations may, among other things, make provision about establishing whether deductions would cause a person to suffer hardship in meeting ordinary living expenses.

(8) Regulations under this section are subject to the negative procedure.

(9) In this section, "net earnings" means the person's earnings after the following have been deducted—

(a) income tax,

(b) primary Class 1 national insurance contributions, and

(c) any contribution that the person pays to a pension scheme.

43 The employer's administrative costs

(1) A deduction from earnings order may include provision for the employer to which it is given to deduct from the liable person's earnings an amount specified in, or calculated in accordance with, the order, for the purpose of meeting costs reasonably incurred by the employer in complying with the order.

(2) In complying with section 42(1) and (3) in relation to a deduction from earnings order the Minister must take account of any deductions to be made under the order by virtue of subsection (1).

(3) The Minister may by regulations make provision about costs to which subsection (1) relates.

(4) Regulations under this section are subject to the negative procedure.

44 Suspension of deduction from earnings orders

(1) The Minister may suspend and re-start the requirement to make deductions and payments under a deduction from earnings order at any time by notifying the employer to which the order was given.

(2) The Minister must notify the liable person if the requirement is suspended or re-started under this section.

(3) Where the requirement is suspended for a continuous period of 2 years the deduction from earnings order in question is to be treated as having been revoked at the end of that period.

(4) Where a deduction from earnings order is treated as having been revoked by virtue of subsection (3), the Minister must give notice to that effect to—

(a) the liable person, and

(b) the employer to which the order was given.

(5) Subsection (3) does not prevent the Minister making a further deduction from earnings order in respect of the same liable person.

45 Duty to notify the Minister of change of circumstances

(1) A liable person in respect of whom a deduction from earnings order is in force, must notify the Minister on each occasion that they—

(a) leave any employment, or

(b) start a new employment,

within the period of 7 days beginning with the day after the day on which they leave or start the employment.

(2) If the liable person notifies the Minister that they have started a new employment, they must include a statement of their expected earnings from their new employment.

(3) A person who—

(a) becomes the employer of a liable person, and

(b) knows that a deduction from earnings order is in force in respect of the liable person,

must, within 10 days of the beginning of the liable person's employment, notify the Minister that they have become the liable person's employer and include a statement of the liable person's expected earnings from the employment.

(4) A person must notify the Minister if a liable person in respect of whom a deduction from earnings order is in force ceases to be in their employment.

(5) The notification must be given within the period of 10 days beginning with the day after the day on which the liable person leaves the employment.

46 Applications to vary

(1) A liable person may apply to the Minister to vary a deduction from earnings order.

(2) The Minister must notify the liable person of the Minister's decision on the application.

47 Variation

(1) The Minister may vary a deduction from earnings order given to an employer (whether on an application by the liable person or otherwise) by—

(a) giving a revised version of the order to the employer, and

(b) giving a copy of the revised version to the liable person.

(2) Where the Minister proposes to vary a deduction from earnings order, the Minister must give the liable person an opportunity to make representations about the proposed variation.

48 Revocation

(1) The Minister may revoke a deduction from earnings order.

(2) The Minister must revoke a deduction from earnings order if the payable amount to which it relates has been recovered.

(3) Where the Minister revokes a deduction from earnings order, the Minister must give notice of the revocation to—

(a) the employer, and

(b) the liable person.

49 Reviews

(1) This section applies where the Minister—
  (a) makes a deduction from earnings order,
  (b) varies a deduction from earnings order, or
  (c) decides not to vary a deduction from earnings order in response to an application under section 46.

(2) A liable person may apply to the Minister for a review of the decision to make, to vary or not to vary the order.

(3) An application under subsection (2) must be made within the period of 28 days beginning with the day after the day on which the liable person was—
  (a) given a copy of the order or the order as varied, or
  (b) notified of the decision not to vary the order.

(4) An application for a review under subsection (1) may not be brought on, or include, any ground relating to the existence or amount of a payable amount (unless the amount is said to be incorrectly stated in the order).

(5) Where an application is made under this section, the Minister must review the decision in question.

(6) On a review, the Minister may—
  (a) uphold the decision,
  (b) vary the order, or
  (c) revoke the order.

(7) After a review has been carried out, the Minister must—
  (a) notify the liable person of the outcome of the review, and
  (b) if the outcome was to vary the order, give—
    (i) the varied order to the liable person's employer, and
    (ii) a copy of the varied order to the liable person.

50 Appeals

(1) A liable person may appeal to the First-tier Tribunal against—
  (a) the making of a deduction from earnings order,
  (b) the variation of a deduction from earnings order, or
  (c) a refusal to vary a deduction from earnings order after an application under section 46.

(2) The liable person may not appeal under subsection (1) unless they have—
  (a) applied for a review of the decision to make, to vary or not to vary the order under section 49, and
  (b) been notified of the outcome of the review.

(3) Subsection (2) does not apply where a deduction from earnings order is varied on a review under section 49.

(4) An appeal may not be brought after the end of—

(a) the period of 28 days beginning with the day after the day on which the liable person was notified of the outcome of the review, or

(b) such longer period (if any) as the Tribunal considers reasonable in all the circumstances.

(5) An appeal under subsection (1) may not be brought on, or include, any ground relating to the existence or amount of a payable amount (unless the amount is said to be incorrectly stated in the order).

(6) On an appeal under this section, the First-tier Tribunal may suspend the requirement on an employer to comply with a deduction from earnings order for some or all of the time until the appeal is finally determined.

(7) On an appeal under subsection (1), the First-tier Tribunal may—

(a) amend the deduction from earnings order,

(b) revoke the deduction from earnings order, or

(c) dismiss the appeal.

CHAPTER 5

CIVIL PENALTIES

51 Penalty relating to fraud

The Minister may impose a penalty on a person if satisfied, on the balance of probabilities, that the person has carried out, or conspired to carry out, fraud—

(a) in order to receive or help another person to receive a payment that is or, if the payment was not made, would have been, a recoverable amount, or

(b) with the result that a public authority is entitled to claim any other recoverable amount.

52 Application to members etc of bodies

(1) Subsection (2) applies where a body is liable to receive a penalty under section 51 by reason of anything which the Minister is satisfied, on the balance of probabilities, was done or not done with the consent or connivance of—

(a) a relevant individual in relation to the body, or

(b) an individual purporting to act in the capacity of a relevant individual in relation to the body.

(2) The Minister may impose a penalty under section 51 on the individual as well as on the body.

(3) In this section, "relevant individual" means—

(a) in relation to a body corporate other than one whose affairs are managed by its members, a director, manager, secretary or other similar officer of the body;

(b) in relation to a limited liability partnership or other body corporate whose affairs are managed by its members, a member who exercises functions of management with respect to it;

(c) in relation to a limited partnership, a general partner (within the meaning given by section 3 of the Limited Partnerships Act 1907);

(d) in relation to any other partnership, a partner;

(e) in relation to an unincorporated association, a person who exercises functions of management with respect to it.

53 Amount of penalty relating to fraud

(1) A penalty imposed on a person under section 51(a) may not exceed 100% of the payment to which it relates.

(2) Where a penalty is imposed under section 51(a) in relation to conduct which does not result in a person receiving a payment, subsection (1) is to be read as if the reference to "the payment" were to the payment which, in the opinion of the Minister, a person would have received if a payment had been made in consequence of the conduct.

(3) A penalty imposed on a person under section 51(b) may not exceed 100% of—

(a) any loss caused to the public authority, or

(b) if higher, the benefit gained by the person,

as a result of the fraud in question.

54 Penalty for failing to comply with requirements

The Minister may impose a penalty on a person where the Minister considers that the person has, without reasonable excuse, failed to comply with—

(a) a requirement imposed by or under Chapter 2 (investigatory powers), or

(b) a requirement imposed by or under Chapter 4 (methods of recovery).

55 Application to members etc of bodies

(1) Subsection (2) applies where the Minister considers that—

(a) a body has, without reasonable excuse, failed to comply with a requirement mentioned in section 54, and

(b) a relevant individual in relation to the body has, without reasonable excuse, failed to prevent that failure.

(2) The Minister may impose a penalty under section 54 on the individual as well as on the body.

(3) In this section, "relevant individual" in relation to a body has the same meaning that it has in section 52.

56 Amount of penalty for failing to comply with requirements

(1) A penalty imposed for a failure to comply with a requirement to provide information imposed by or under Chapter 2 or Chapter 4 must be an amount calculated by reference to a daily rate of £300.

(2) Any other penalty for a failure to comply with a requirement imposed by or under Chapter 2 or Chapter 4 must be a fixed amount of £300.

(3) In this section, references to a "daily rate" in relation to a person's failure to provide information are to an amount that may be imposed for each day by the end of which the information has not been provided, beginning with the last day on which compliance would have resulted in a penalty not being payable.

(4) The Minister may by regulations amend the amounts mentioned in subsections (1) and (2) for the time being to reflect a change in the value of money.

(5) Regulations under subsection (4) are subject to the negative procedure.

57 Procedural rights

(1) This section and sections 58 and 59 set out steps that must be taken before the Minister may impose a penalty on a person under section 51 or 54.

(2) Where the Minister proposes that a person should be given a penalty under section 51 or 54, the Minister must give the person a notice (a "notice of intent") inviting them to make representations about the proposed penalty.

(3) The notice of intent must include—
  (a) the amount of the proposed penalty,
  (b) the reasons for the penalty being of that amount, and
  (c) the means by which, and the period within which, representations may be made.

(4) The period must be at least 28 days beginning with the day after the day on which the notice is given.

(5) The Minister must—
  (a) consider any representations received in accordance with the notice, and
  (b) in light of those representations—
    (i) decide whether to impose the penalty, and
    (ii) make any changes to the terms of the proposed penalty that the Minister considers appropriate.

(6) Where the Minister decides not to impose a penalty on the person, the Minister must give the person a notice to that effect.

58 Penalty decision notices

(1) Where the Minister decides to impose a penalty on the person, the Minister must give the person a penalty decision notice.

(2) A penalty decision notice is a notice—

(a) informing the person of the decision that a penalty should be imposed on the person,

(b) stating the amount of the penalty,

(c) setting out the reasons for the penalty being of that amount,

(d) explaining that the person can apply for a review of the decision within the period of 28 days beginning with the day after the day on which the decision notice is given, and

(e) explaining that if the person does not seek a review within that period, the penalty notice will be given after the end of that period.

(3) If a review of the decision is requested in accordance with the penalty decision notice, the penalty may not be imposed until after a review has been carried out.

(4) If no such review is requested, the penalty may be imposed after the period mentioned in subsection (2)(d).

59 Reviews and decisions

(1) Where a review of the decision that a penalty should be imposed is requested following receipt of a penalty decision notice, the Minister must carry out a review of that decision.

(2) On a review, the Minister may—

(a) uphold the decision to impose the penalty and the amount of the penalty,

(b) uphold the decision to impose the penalty but change its amount, or

(c) cancel the decision to impose a penalty.

(3) Where the Minister makes a decision within subsection (2)(a) or (b), the Minister must—

(a) give the person a notice in accordance with section 60, and

(b) inform the person of the right of appeal under section 61.

(4) Where the Minister makes a decision within subsection (2)(c), the Minister must give the person a notice to that effect.

60 Penalty notices

(1) A penalty under section 51 or 54 is imposed by giving a person a notice (a "penalty notice") requiring the person to pay a penalty of a specified amount to the Minister on or before a specified day.

(2) A person may not be given more than one penalty notice in respect of the same act or omission.

(3) Where a person is liable under section 54 to a penalty for a failure to provide information, and the penalty is calculated by reference to a daily rate, the failure to provide information by the end of each day in relation to which the daily rate accrues is to be treated as a separate omission for the purposes of subsection (2).

(4) In this section, "specified" means specified in the penalty notice.

61 Appeals

(1) A person may appeal against a penalty notice to the appropriate court.

(2) An appeal may not be brought after the end of—

(a) the period of 28 days beginning with the day after the day on which the person is given the penalty notice, or

(b) such longer period (if any) as the appropriate court considers reasonable in all the circumstances.

(3) On an appeal under subsection (1), the appropriate court may—

(a) uphold the penalty notice,

(b) revoke the penalty notice, or

(c) amend the penalty notice.

(4) Subsection (5) applies where—

(a) an appeal is against a penalty notice under section 51 (penalty relating to fraud), and

(b) court proceedings other than an appeal against a penalty notice have reached a final determination, on at least the balance of probabilities, that the person to whom the notice was given—

(i) carried out or conspired to carry out, or

(ii) in a case to which section 52 applies, consented to or connived in the act or omission which constituted,

the fraud to which the penalty relates.

(5) For the purposes of the appeal against a penalty notice, that final determination is determinative of the question whether the person carried out the fraud.

(6) The Minister may by regulations make further provision about appeals against a penalty notice.

(7) The regulations may, among other things, provide for appeals to be heard at the same time as proceedings mentioned in section 10(1)(a) (proceedings to recover a claimed amount).

(8) Regulations under this section are subject to the negative procedure.

(9) In this section, "the appropriate court" means—

(a) the First-tier Tribunal, or

(b) such other court or tribunal as may be specified in regulations under this section.

62 Interest

(1) An amount payable by a person in accordance with a penalty notice carries interest ("late payment interest") for each day in the period beginning with the interest start day and ending with the day of payment.

(2) The interest start day is the day after the specified day included in a penalty notice in accordance with section 60(1).

(3) The late payment interest rate applicable to a day in the interest period is the percentage per year found by adding 2.5 to the Bank of England rate applicable to the day.

(4) The Bank of England rate applicable to a day is the official bank rate announced by the Bank of England Monetary Policy Committee at its most recent meeting prior to the day.

(5) Late payment interest is not payable on late payment interest.

63 Code of practice

(1) The Minister must issue a code of practice about the administration of penalties under section 51, including about the making of decisions about the imposition and amount of a penalty.

(2) The code of practice must include provision about circumstances in which, and the extent to which, the Minister considers that it would be appropriate to discount the amount of a penalty as a result of cooperative conduct by the person on whom the penalty is imposed.

(3) The Minister may from time to time revise and reissue the code of practice.

(4) The Minister must lay the code of practice, or any reissued code of practice, before Parliament.

64 Penalties and criminal proceedings or convictions

(1) The Minister may not give a penalty notice to a person under section 51 in relation to an act or omission which constitutes an offence if the person has, in relation to that act or omission, been found guilty of that offence.

(2) A person may not be found guilty of an offence in relation to an act or omission if the person has paid a penalty in response to a penalty notice given under section 60 in relation to that act or omission.

CHAPTER 6

GENERAL

65 Independent review

(1) The Minister must appoint an independent person to carry out reviews of the exercise of the Minister's functions under this Part.

(2) After each review, the independent person must as soon as practicable—
  (a) prepare a report on the review, and
  (b) submit the report to the Minister.

(3) On receiving a report, the Minister must—
  (a) publish it, and
  (b) lay a copy before Parliament.

(4) Each review must consider the extent to which—
  (a) functions under this Part have been exercised in compliance with the requirements of this Part, relevant codes of practice and relevant guidance, and
  (b) the exercise of those functions has been effective in delivering the Minister's functions under section 1(1)(a) to (c).

(5) Each report must contain any recommendations which the independent person considers appropriate in light of the review to which it relates.

(6) In subsection (4)(a), "relevant codes of practice" and "relevant guidance" mean codes of practice and guidance to which the Minister must have regard in exercising functions under this Part.

66 Independent review: further provision

(1) The Minister may give the independent person appointed under section 65(1) directions as to the period to be covered by each review carried out under section 65.

(2) The Minister must consult the independent person before giving a direction under subsection (1).

(3) The Minister must disclose information to the independent person, or to a person acting on behalf of the independent person, where the information is reasonably required for the purposes of reviews being carried out under section 65.

(4) The Minister may by regulations confer functions on a person for the purposes of securing compliance with section 65.

(5) Regulations under subsection (4) are subject to the negative procedure.

67 Authorised officers

(1) The following decisions, if not made by the Minister personally, may be made only by an individual authorised by the Minister for the purposes of this section (an "authorised officer") –

(a) deciding to give an information notice under section 3(2);
(b) deciding to give a recovery notice under section 11(1);
(c) deciding to make a direct deduction order under section 17(1);
(d) deciding to vary a direct deduction order under section 29(1);
(e) deciding to make a deduction from earnings order under section 39(1);
(f) deciding to vary a deduction from earnings order under section 47;
(g) deciding to give a notice of intent under section 57(2);
(h) deciding to impose a penalty under section 51 or 54 (and to give a notice for that purpose under section 60).

(2) Subsection (3) applies where –

(a) the Minister is required by virtue of a provision of this Part to review a decision mentioned in subsection (1), and
(b) the decision was made by an authorised officer.

(3) The review must be carried out by –

(a) an authorised officer of a higher grade than the authorised officer who made the decision, or
(b) the Minister personally.

(4) An individual may not be an authorised officer unless the individual is employed in the civil service of the state in the Minister's department.

68 Guidance on exercise of investigatory functions

(1) The Minister must publish guidance about how the Minister will exercise the Minister's function in section 1(1)(a) (investigating suspected fraud against public authorities).

(2) The guidance must include guidance about –

(a) how authorised investigators and authorised officers are to be appointed,
(b) the training which individuals must undertake before being appointed as authorised investigators or authorised officers,
(c) governance arrangements in relation to how authorised investigators and authorised officers are to exercise their functions for the purpose of the function in section 1(1)(a), and
(d) how the Minister will work with an independent reviewer appointed under section 65.

(3) The Minister may revise or replace guidance published under this section.

(4) The Minister must publish any revised or replacement guidance.

(5) The Minister must lay a copy of guidance published under this section (including revised or replacement guidance) before Parliament.

69 Reports on exercise of functions

(1) As soon as reasonably practicable after the end of each financial year, the Minister must prepare a report stating how many times the powers in subsection (3) were exercised in that financial year.

(2) The Minister must—
- (a) publish each report, and
- (b) lay a copy of each report before Parliament.

(3) The powers are—
- (a) the power to issue an information notice under section 3,
- (b) the power to apply for or execute a warrant under section 8(1) of the Police and Criminal Evidence Act 1984 ("the 1984 Act") that is conferred by virtue of section 7,
- (c) the power to obtain access to material under section 9(1) of, and Schedule 1 to, the 1984 Act that is conferred by virtue of section 7,
- (d) the powers under section 19 of the 1984 Act (general power of seizure etc) that are conferred by virtue of section 7,
- (e) the power to apply for an order under section 8,
- (f) the power to give a recovery notice under section 11,
- (g) the power to apply for a recovery order under section 16,
- (h) the power to make a direct deduction order under section 17,
- (i) the power to make a deduction from earnings order under section 39, and
- (j) the power to impose a penalty under section 51.

(4) "Financial year" means—
- (a) the period beginning with the day on which Part 1 of this Act comes fully into force and ending with the following 31 March (which is the first financial year), and
- (b) each subsequent period of 12 months beginning with 1 April.

(5) Before acting under subsection (2) the Minister must exclude from the report any matter which the Minister thinks is likely to prejudice any—
- (a) criminal investigation,
- (b) other investigation,
- (c) criminal proceedings, or
- (d) civil proceedings.

(6) If the Minister—
- (a) excludes any matter from the report in reliance on subsection (5), and
- (b) in a subsequent financial year thinks that the excluded matter is no longer likely to prejudice the investigation or proceedings concerned,

the Minister must include the matter in the report that relates to that subsequent financial year.

70 Record of exercise of functions

(1) An authorised investigator or authorised officer must keep a written record of each exercise of a power in subsection (3) by that investigator or officer.

(2) The record relating to a particular exercise of a power must state—
- (a) the name of the authorised investigator or authorised officer,
- (b) the power which was exercised,
- (c) the date on which the power was exercised, and
- (d) the reason the power was exercised.

(3) The powers are—
- (a) the power to issue an information notice under section 3,
- (b) the power to apply for or execute a warrant under section 8(1) of the Police and Criminal Evidence Act 1984 ("the 1984 Act") that is conferred by virtue of section 7,
- (c) the power to obtain access to material under section 9(1) of, and Schedule 1 to, the 1984 Act that is conferred by virtue of section 7,
- (d) the powers under section 19 of the 1984 Act (general power of seizure etc) that are conferred by virtue of section 7,
- (e) the power to apply for an order under section 8,
- (f) the power to give a recovery notice under section 11,
- (g) the power to apply for a recovery order under section 16,
- (h) the power to make a direct deduction order under section 17,
- (i) the power to make a deduction from earnings order under section 39, and
- (j) the power to impose a penalty under section 51.

71 Disclosure of information etc: interaction with external constraints

(1) This section applies in relation to any provision for the disclosure or obtaining of information made by or under this Part.

(2) The provision does not require or authorise any disclosure of information that is prohibited by any of Parts 1 to 7 or Chapter 1 of Part 9 of the Investigatory Powers Act 2016.

(3) The disclosure of information in accordance with the provision (as read subject to subsection (2)) does not breach—
- (a) any obligation of confidence owed by the person making the disclosure, or
- (b) any other restriction on the disclosure of information (however imposed).

(4) The provision does not require or authorise the disclosure or obtaining of information in respect of which a claim to legal professional privilege could be maintained in legal proceedings without the agreement of the person entitled to maintain that claim.

(5) Subsection (4) does not apply in relation to the provisions of the Police and Criminal Evidence Act 1984 as applied by section 7.

72 Crown etc application

(1) Subject to the following provisions of this section, this Part binds the Crown and applies in relation to Crown premises as it applies in relation to any other premises.

(2) In this section, "Crown premises" means premises held, or used by, or on behalf of the Crown.

(3) Sections 16 to 38 (recovery orders and recovery from bank accounts) and Chapter 5 (penalties) do not bind the Crown.

(4) If the Minister or the Secretary of State certifies that it appears appropriate in the interests of national security that powers of entry conferred by this Part should not be exercisable in relation to Crown premises specified in the certificate, those powers are not exercisable in relation to those premises.

(5) No power of entry conferred by, or by virtue of, this Part may be exercised in relation to—

(a) land belonging to His Majesty in right of His private estates, or

(b) premises occupied for the purposes of either House of Parliament.

(6) In subsection (5)(a), the reference to His Majesty's private estates is to be read in accordance with section 1 of the Crown Private Estates Act 1862.

73 Public Sector Fraud Authority and transfer of functions

Schedule 2 contains provision about—

(a) the establishment of the Public Sector Fraud Authority ("the PSFA"), and

(b) the transfer of functions conferred by or under this Part to the PSFA or to another public authority.

74 Interpretation

(1) In this Part—

"authorised officer" has the meaning given by section 67;

"bank" has the meaning given by section 36(1);

"claimed amount" has the meaning given by section 10(1)(a);

"the core functions" has the meaning given by section 1;

"direct deduction order" means a regular direct deduction order or a lump sum direct deduction order;

"fraud" includes—

(a) the offences in sections 1 and 11 of the Fraud Act 2006 (fraud and obtaining services dishonestly),

(b) the offences in sections 6 and 7 of that Act (possessing, making or supplying articles for use in frauds), and

(c) the offence at common law of conspiracy to defraud;

"information" means information in the form of a document or in any other form;

"joint account" means an account held by more than one person;

"liable person" has the meaning given by section 11(1);

"lump sum direct deduction order" has the meaning given by section 17(5);

"the Minister" means the Minister for the Cabinet Office;

"payable amount" has the meaning given by section 15;

"public authority" means a person with functions of a public nature so far as acting in the exercise of those functions;

"recoverable amount" has the meaning given by section 1(3);

"regular direct deduction order" has the meaning given by section 17(4);

"sole account" means an account held by one person;

"suspected fraud" is conduct which the Minister has reasonable grounds to suspect may constitute fraud;

"working day" means any day other than—

(a) Saturday or Sunday, or

(b) a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the United Kingdom.

(2) For the purposes of applying this Part in relation to the offences in sections 6 and 7 of the Fraud Act 2006 (possessing, making or supplying articles for use in frauds), references in this Part to fraud against a public authority are to be read as including the commission of those offences by—

(a) in relation to section 6 of the Fraud Act 2006, possessing or having control of an article for use in the course of or in connection with a fraud against a public authority, and

(b) in relation to section 7 of that Act, making, adapting, supplying or offering to supply an article—

(i) knowing that it is designed or adapted for use in the course of or in connection with fraud against a public authority, or

(ii) intending it to be used to commit, or assist in the commission of, fraud against a public authority.

(3) In this Part, references to giving a notice or other document (however expressed), include sending the notice or document by post.

(4) For the purposes of this Part—

(a) court proceedings (including an appeal) are not finally determined until any appeal relating to the proceedings has been withdrawn,

abandoned or determined (ignoring any possibility of an appeal out of time with permission), and

(b) a final determination is the determination reached when court proceedings are finally determined.

75 Regulations

(1) Regulations under this Part are to be made by statutory instrument.

(2) A power to make regulations under any provision of this Part includes power to make—

(a) consequential, supplementary, incidental, transitional or saving provision;

(b) different provision for different purposes.

(3) Where regulations under this Part are subject to "the affirmative procedure", the regulations may not be made unless a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, each House of Parliament.

(4) Where regulations under this Part are subject to "the negative procedure", the statutory instrument containing them is subject to annulment in pursuance of a resolution of either House of Parliament.

(5) Any provision that may be made by regulations under this Part subject to the negative procedure may be made in regulations subject to the affirmative procedure.

PART 2

SOCIAL SECURITY ETC

CHAPTER 1

POWERS TO REQUIRE INFORMATION

76 Information notices

(1) The Social Security Administration Act 1992 is amended as follows.

(2) After section 109B insert—

"109BZA Power to require information about suspected fraud etc

(1) An authorised officer may give a person ("P") a written notice (an "information notice") requiring P to give an authorised officer specified information where the officer—

(a) has reasonable grounds to suspect that a person has committed, is committing or intends to commit a DWP offence, and

(b) considers that it is necessary and proportionate to require the specified information for a purpose mentioned in section

109A(2)(c) or (d) (investigating compliance with the relevant social security legislation etc).

(2) Information may be specified in an information notice only if it relates to a person who is identified (by name or description) in the information notice as—

(a) the person suspected as mentioned in subsection (1)(a), or

(b) a member of that person's family (within the meaning of Part 7 of the Contributions and Benefits Act).

(3) An authorised officer may require P to give specified information only if the officer has reasonable grounds to suspect that P has or is able to access the information.

(4) An information notice must set out—

(a) the identity (by name or description) of the person to whom the information requested relates;

(b) how, where and the period within which the information must be given;

(c) information about the consequences of not complying with the notice.

(5) The power under this section to require P to give information includes power to—

(a) take copies of or extracts from information;

(b) require P to provide information in a specified form;

(c) if any specified information is not given to an authorised officer, require P to state, to the best of P's knowledge and belief, both where that information is and why it has not been given to an authorised officer.

(6) Subsection (2E) of section 109B (communications data) applies to an information notice under this section as it applies to a notice under that section.

(7) In this section—

"information" means information in the form of a document or in any other form;

"specified" means—

(a) specified, or described, in the information notice, or

(b) falling within a category that is specified or described in the information notice.

(8) Nothing in this section limits the powers conferred on the Secretary of State by Schedule 3B."

(3) In section 109A (authorisations for investigators)—

(a) in subsection (1), for "109B and 109C below" substitute "109B to 109C";

(b) in subsection (2)(d), at the end insert "or other DWP offences";

(c) in subsection (8), for "109B and 109C below" substitute "109B to 109C".

(4) In section 109B (power to require information)—

(a) in the heading, at the end insert "about entitlement etc";

(b) in subsection (1)(a) omit "or (2A)";

(c) in subsection (1)(b), for "any one or more of the purposes mentioned in section 109A(2) above" substitute "a purpose mentioned in section 109A(2)(a) or (b)";

(d) omit the following provisions—

(i) subsection (2A);

(ii) subsection (2B);

(iii) subsection (2C);

(iv) subsection (2D);

(v) subsection (5);

(vi) subsection (6);

(vii) subsection (7A);

(e) in subsection (7) omit the definitions of—

(i) "bank";

(ii) "credit";

(iii) "insurer";

(iv) "residential premises".

(5) In section 109BA (power of the Secretary of State to require electronic access to information)—

(a) in subsection (1)—

(i) in paragraph (a) omit "falling within section 109B(2A)";

(ii) in paragraph (b), for "109A(2)" substitute "109A(2)(c) or (d)";

(b) in subsection (2)(b), for "109B above" substitute "109BZA";

(c) in subsection (4), for "109B" substitute "109BZA".

(6) In section 109C (powers of entry), in subsection (6), for "Subsections (2E) and (5) of section 109B apply for the purposes of this section as they apply" substitute "Subsection (2E) of section 109B applies for the purposes of this section as it applies".

(7) In section 190 (Parliamentary control of orders and regulations), in subsection (1) omit paragraph (aza).

77 Consequential amendments to the Social Security Fraud Act 2001

(1) The Social Security Fraud Act 2001 is amended as follows.

(2) In section 3 (code of practice about use of information powers), in subsection (1)—

(a) in the words before paragraph (a), after the second "of" insert "the powers that are exercisable by an authorised officer under section 109BZA of the Administration Act.", and

(b) omit paragraphs (a) and (b).

(3) Section 4 (arrangements for payments in respect of information) is amended as follows.

(4) For subsections (1) and (2) substitute—

"(1A) The Secretary of State must ensure that such arrangements (if any) are in force as the Secretary of State thinks appropriate for requiring or authorising, in such cases as the Secretary of State thinks fit, the making of such payments as the Secretary of State considers appropriate in respect of compliance with relevant obligations by any person.

(1B) In subsection (1A), "relevant obligation" means an obligation to provide information, or access to information, under section 109BZA or 109BA of the Administration Act."

(5) Omit subsection (4).

78 Eligibility verification

(1) The Social Security Administration Act 1992 is amended in accordance with subsections (2) to (4).

(2) In Part 7 (information), before section 121E (and the italic heading before it) insert—

"Eligibility verification

121DB Eligibility verification

Schedule 3B makes provision about a power for the Secretary of State to obtain information for the purposes of assisting in identifying incorrect payments of certain benefits."

(3) In section 190(1) (Parliamentary control of orders and regulations), after paragraph (ac) (inserted by section 95(4) of this Act) insert—

"(ad) regulations under paragraph 2(1)(b) or 19(2) of Schedule 3B;".

(4) After Schedule 3A insert, as Schedule 3B, the Schedule in Part 1 of Schedule 3 to this Act.

(5) Part 2 of Schedule 3 to this Act makes amendments to the Proceeds of Crime Act 2002.

79 Eligibility verification: independent review

After section 121DB of the Social Security Administration Act 1992 (inserted by section 78 of this Act) insert—

"121DC Independent review

(1) The Secretary of State must appoint an independent person to carry out reviews of the exercise of the Secretary of State's functions under Schedule 3B (eligibility verification).

(2) After each review, the independent person must as soon as practicable—
  (a) prepare a report, and
  (b) submit the report to the Secretary of State.

(3) On receiving a report, the Secretary of State must—
  (a) publish it, and
  (b) lay a copy before Parliament.

(4) The first review must relate to the period of 12 months beginning with the day on which section 78 of the Public Authorities (Fraud, Error and Recovery) Act 2025 comes fully into force.

(5) Subsequent reviews must relate to subsequent periods of 12 months.

(6) Each review must consider the extent to which—
  (a) the Secretary of State's exercise of powers under Schedule 3B has complied with the requirements of the Schedule and any code of practice in force under Part 5 of the Schedule during the period,
  (b) the actions taken by persons given an eligibility verification notice have complied with the requirements of Schedule 3B, and
  (c) the exercise of the Secretary of State's powers under Schedule 3B has been effective in assisting in identifying incorrect payments of relevant benefits during the period covered by the review.

(7) Regulations may confer functions on a person for the purposes of securing compliance with subsections (1) to (6).

121DD Independent review: further provision

(1) The Secretary of State must disclose information to the independent person appointed under section 121DC(1), or to a person acting on behalf of the independent person, where the information is reasonably required for the purposes of reviews being carried out under section 121DC.

(2) Subsection (1) does not authorise the disclosure of information that is prohibited by any of Parts 1 to 7 or Chapter 1 of Part 9 of the Investigatory Powers Act 2016.

(3) A disclosure of information under subsection (1) (as read subject to subsection (2)) does not breach—

(a) any obligation of confidence owed by the person making the disclosure, or

(b) any other restriction on the disclosure of information (however imposed)."

CHAPTER 2

POWERS OF ENTRY, SEARCH AND SEIZURE ETC

80 Entry, search and seizure in England and Wales

(1) The Social Security Administration Act 1992 is amended as follows.

(2) After section 109C insert—

"109D Powers of entry, search and seizure in England and Wales

(1) This section confers functions on and in relation to authorised investigators, including by applying provisions of the Police and Criminal Evidence Act 1984 ("the 1984 Act") with modifications.

(2) The functions are exercisable only in relation to premises and items in England and Wales.

(3) The provisions of the 1984 Act listed in subsection (4) apply in relation to investigations of DWP offences conducted by authorised investigators as they apply in relation to investigations of offences conducted by police officers, subject to the modifications in Schedule 3ZC.

(4) The provisions are—

(a) section 8(1) to (5) (power of justice of the peace to authorise entry and search of premises);

(b) section 9(1) and Schedule 1 (special provisions as to access);

(c) section 15 (search warrants: safeguards);

(d) section 16 (execution of warrants);

(e) section 19 (general power of seizure etc);

(f) section 20 (extension of powers of seizure to computerised information);

(g) section 21 (access and copying);

(h) section 22 (retention);

(i) sections 10 to 14, 23 and 118 (interpretation provisions), so far as necessary for the application of the provisions mentioned in paragraphs (a) to (h).

(5) An authorised investigator may use reasonable force in respect of property if necessary in the exercise of a power conferred by a provision of the 1984 Act as applied by subsections (3) and (4).

(6) Subsections (7) to (9) apply where a person has the same powers as an authorised investigator by virtue of section 16(2A) of the 1984 Act as applied by subsections (3) and (4).

(7) Where the person is a constable, the constable may use reasonable force in respect of property or persons if necessary in the exercise of the powers.

(8) Where the person is not a constable, the person may use reasonable force in respect of property if necessary in the exercise of the powers.

(9) But a person may use reasonable force under subsection (8) only in the company, and under the supervision, of an authorised investigator.

(10) For the purposes of this section and Schedule 3ZC an authorised investigator is an individual who is authorised by the Secretary of State to exercise the powers conferred by this section.

(11) An individual may be so authorised only if the individual is an official of a government department and—

(a) is a higher executive officer, or

(b) has a grade that is equivalent to, or higher than, that of a higher executive officer."

(3) After Schedule 3ZB (inserted by section 96(3) of this Act) insert, as Schedule 3ZC, the Schedule in paragraph 1 of Schedule 4 to this Act.

81 Entry, search and seizure in Scotland

(1) The Social Security Administration Act 1992 is amended as follows.

(2) After section 109D (inserted by section 80 of this Act) insert—

"109E Powers of entry, search and seizure in Scotland

Schedule 3ZD confers functions that are exercisable only in relation to premises and items in Scotland and that correspond to the functions conferred by section 109D in relation to England and Wales."

(3) After Schedule 3ZC (inserted by section 80(3) of this Act) insert, as Schedule 3ZD, the Schedule in paragraph 2 of Schedule 4 to this Act.

82 Entry, search and seizure: Crown application

After section 109E of the Social Security Administration Act 1992 (inserted by section 81 of this Act) insert—

"109F Entry, search and seizure: Crown etc application

(1) Subject to subsections (2) and (3), the powers conferred by section 109D and by Schedule 3ZD, bind the Crown and apply in relation to Crown premises as they apply in relation to any other premises.

(2) If the Secretary of State certifies that it appears appropriate in the interests of national security that powers of entry conferred by this Part should not be exercisable in relation to Crown premises specified in the certificate, those powers are not exercisable in relation to those premises.

(3) No power of entry conferred by, or by virtue of, the provisions mentioned in subsection (1) may be exercised in relation to—

(a) land belonging to His Majesty in right of His private estates, or

(b) premises occupied for the purposes of either House of Parliament.

(4) In this section—

(a) "Crown premises" means premises held, or used by, or on behalf of the Crown, and

(b) the reference to His Majesty's private estates is to be read in accordance with section 1 of the Crown Private Estates Act 1862."

83 Offence of delay, obstruction etc

In the Social Security Administration Act 1992, in section 111 (delay, obstruction etc of inspector)—

(a) in paragraph (a) of subsection (1), after "officer" insert ", or authorised investigator,", and

(b) after subsection (2) insert—

"(2A) In subsection (1)(a), "authorised investigator" means an individual who is authorised by the Secretary of State to exercise the powers conferred by section 109D or Schedule 3ZD."

84 Disposal of property

In the Social Security Administration Act 1992, after section 109F (inserted by section 82 of this Act) insert—

"109G Disposal of property

(1) The appropriate court may, on an application by the Secretary of State or a person with an interest in relevant property—

(a) order the delivery of the relevant property to the person appearing to the court to be its owner, or

(b) if its owner cannot be ascertained, make any other order about the relevant property.

(2) An order under subsection (1)(a) may include provision for the Secretary of State to make any changes to the relevant property that the court considers necessary for the purpose of avoiding or reducing any risk of the relevant property being used in the commission of an offence.

(3) An order under subsection (1)(b) may not provide for the destruction or disposal of relevant property until the end of the period of 6 months beginning with the day on which the order is made.

(4) An order under subsection (1)(b) ("the first order") does not prevent further applications being made for an order under subsection (1) in respect of the relevant property to which the first order applies.

(5) Where an order is made following a further application—

(a) the order may not provide for the destruction or disposal of the relevant property before the end of the period of 6 months beginning with the day on which the first order was made, but

(b) the order may otherwise contain such provision as to the timing of the destruction or disposal of the relevant property as the court thinks fit.

(6) In this section—

"appropriate court" means—

(a) in relation to England and Wales, a magistrates' court, and

(b) in relation to Scotland, the sheriff;

"relevant property" means tangible property which has come into the possession of the Secretary of State in the course of, or in connection with, an investigation into a DWP offence."

85 Amendments to the Criminal Justice and Police Act 2001

(1) The Criminal Justice and Police Act 2001 is amended as follows.

(2) In section 57 (retention of seized items), in subsection (1), after paragraph (w) (inserted by the Football Governance Act 2025) insert—

"(x) paragraph 4(3) of Schedule 3ZD to the Social Security Administration Act 1992."

(3) In section 63 (copies), in subsection (2), at the end insert—

"(j) paragraph 2(1)(e) and (f) of Schedule 3ZD to the Social Security Administration Act 1992."

(4) In Part 1 of Schedule 1 (powers of seizure to which section 50 of the Act applies), after paragraph 56 insert—

"Social Security Administration Act 1992

56ZA The power of seizure conferred by paragraph 2(1)(d) of Schedule 3ZD to the Social Security Administration Act 1992."

86 Incidents etc in England and Wales

(1) Part 2 of the Police Reform Act 2002 (complaints and misconduct) is amended as follows.

(2) In section 10 (general functions of the Director General of the Independent Office for Police Conduct)—

(a) in subsection (1), at the end of paragraph (gc) (inserted by section 9(2)(a) of this Act) insert "; and

(gd) to carry out such corresponding functions in relation to DWP investigators acting in the exercise of functions conferred on them by section 109D of the Social Security Administration Act 1992 (Police and Criminal Evidence Act 1984 powers for DWP investigators).",

(b) in subsection (3), after paragraph (bf) (inserted by section 9(2)(b) of this Act) insert—

"(bg) any regulations under section 26H of this Act (DWP investigators);", and

(c) after subsection (7A) (inserted by section 9(2)(c) of this Act insert—

"(7B) In this section, "DWP investigators" means authorised investigators within the meaning given by section 109D of the Social Security Administration Act 1992."

(3) After section 26G (inserted by section 9 of this Act) insert—

"26H DWP investigators

(1) The Secretary of State may make regulations conferring functions on the Director General in relation to DWP investigators acting in the exercise of functions conferred on them by section 109D of the Social Security Administration Act 1992 (Police and Criminal Evidence Act 1984 powers for DWP investigators).

(2) Regulations under this section may, in particular—

(a) apply (with or without modifications), or make provision similar to, any provision of or made under this Part;

(b) make provision for payment by the Secretary of State to, or in respect of, the Office or in respect of the Director General.

(3) The Director General and the Parliamentary Commissioner for Administration may jointly investigate a matter in relation to which—

(a) the Director General has functions by virtue of this section, and

(b) the Parliamentary Commissioner for Administration has functions by virtue of the Parliamentary Commissioner Act 1967.

(4) The Secretary of State may disclose information to the Director General or to a person acting on the Director General's behalf, for the purposes of the exercise, by the Director General or by any person acting on the Director General's behalf, of a DWP complaints function.

(5) The Director General and the Parliamentary Commissioner for Administration may disclose information to each other for the purposes of the exercise of a function—

(a) by virtue of this section, or

(b) under the Parliamentary Commissioner Act 1967.

(6) Regulations under this section may, in particular, make—

(a) further provision about the disclosure of information under subsection (4) or (5);

(b) provision about the further disclosure of information that has been so disclosed.

(7) A disclosure of information authorised by or under this section does not breach—

(a) any obligation of confidence owed by the person making the disclosure, or

(b) any other restriction on the disclosure of information (however imposed).

(8) No provision made by or under this section authorises a disclosure of information that is prohibited by any of Parts 1 to 7 or Chapter 1 of Part 9 of the Investigatory Powers Act 2016.

(9) In this section—

"DWP complaints function" means a function in relation to the exercise of functions conferred by section 109D of the Social Security Administration Act 1992;

"DWP investigator" means an authorised investigator within the meaning given by section 109D of that Act."

87 Incidents etc in Scotland

(1) The Police and Fire Reform (Scotland) Act 2012 (Consequential Provisions and Modifications) Order 2013 (S.I. 2013/602) is amended as follows.

(2) In Article 2 (interpretation), at the appropriate place insert—

> ""DWP investigator" means an authorised investigator within the meaning given by paragraph 6 of Schedule 3ZD to the Social Security Administration Act 1992;".

(3) In Article 3 (agreements to investigate serious incidents), after paragraph (17B) insert—

"(17C) The Commissioner and the Secretary of State may enter into an agreement for the Commissioner to investigate and report, where requested to do so by the Secretary of State, on any serious incident involving DWP investigators acting in the exercise of functions conferred on them by Schedule 3ZD to the Social Security Administration Act 1992 (entry, search and seizure powers).

(17D) A "serious incident involving DWP investigators" has the same meaning as a "serious incident involving the police" in section 41B of the 2006 Act except that "a person serving with the police" means a DWP investigator acting in the exercise of functions conferred on them by Schedule 3ZD to the Social Security Administration Act 1992."

(4) In Article 4 (investigation of crimes and deaths), after paragraph (i) insert ";

> (j) a DWP investigator acting in the exercise of functions conferred on them by Schedule 3ZD to the Social Security Administration Act 1992."

CHAPTER 3

FURTHER PROVISION RELEVANT TO INVESTIGATORY POWERS

88 Devolved benefits

In the Social Security Administration Act 1992, after section 121D, insert—

"121DZA Devolved Benefits

(1) Subject to subsection (3), powers of the Secretary of State under this Part (including powers of an individual who has the Secretary of State's authorisation for the purposes of this Part as mentioned in section 109A) are not exercisable in relation to a devolved benefit.

(2) A benefit is a devolved benefit if functions under this Part are exercisable in relation to the benefit by the Scottish Ministers by virtue of section 53 of the Scotland Act 1998, read with section 32 of the Scotland Act 2016.

(3) The powers referred to in subsection (1) are exercisable in relation to a devolved benefit where arrangements made under section 93(1) of the Scotland Act 1998 (agency arrangements) have the effect that the Secretary of State is to exercise any functions of the Scottish Ministers under this Part on behalf of the Scottish Ministers in relation to the benefit."

89 DWP offence

In the Social Security Administration Act 1992, in section 121DA (interpretation of Part relating to enforcement), in subsection (5), at the end insert—

""DWP offence" means—

(a) a benefit offence,

(b) any other offence relating to a benefit or grant in relation to which the Secretary of State with responsibility for social security exercises functions (whether or not the benefit or grant concerns social security),

(c) an offence relating to the allocation or use of a national insurance number, and

(d) any attempt or conspiracy to commit an offence within paragraph (b) or (c)."

90 Disclosure of information etc: interaction with external constraints

In Part 6 of the Social Security Administration Act 1992 (enforcement), after section 109G (inserted by section 84 of this Act) insert—

"109H Disclosure of information etc: interaction with external constraints

(1) This section applies in relation to any provision for the disclosure or obtaining of information made by or under this Part so far as the provision applies in connection with the exercise of powers by or on behalf of the Secretary of State.

(2) The provision does not require or authorise any disclosure of information that is prohibited by any of Parts 1 to 7 or Chapter 1 of Part 9 of the Investigatory Powers Act 2016.

(3) The disclosure of information in accordance with the provision (as read subject to subsection (2)) does not breach—

(a) any obligation of confidence owed by the person making the disclosure, or

(b) any other restriction on the disclosure of information (however imposed).

(4) The provision does not require or authorise the disclosure or obtaining of information in respect of which a claim to legal professional privilege could be maintained in legal proceedings without the agreement of the person entitled to maintain that claim.

(5) In the application of subsection (4) in Scotland, the reference to legal professional privilege is to be read as a reference to confidentiality of communications.

(6) A person may not be required under the provision to give information which tends to incriminate the person or the person's spouse or civil partner.

(7) A person who provides services free of charge in relation to social security, housing (including services that involve the provision of accommodation) or debt, may not be required under the provision to give personal data about persons receiving such a service free of charge.

(8) The provision does not require or authorise the disclosure of—
(a) journalistic material, or
(b) excluded material,
within the meanings of the Police and Criminal Evidence Act 1984 (see sections 11 to 13 of that Act).

(9) But subsections (5) to (9) do not apply in relation to—
(a) the provisions of the Police and Criminal Evidence Act 1984 as applied by section 109D, and
(b) Schedule 3ZD.

(10) In this section "personal data" has the same meaning as in the Data Protection Act 2018 (see section 3(2) of that Act)."

91 Giving notices etc

In the Social Security Administration Act 1992, in section 121DA (interpretation of Part relating to enforcement), after subsection (7) insert—

"(8) In this Part, references to giving a notice or other document (however expressed) include sending the notice or document by post."

92 Independent review

In the Social Security Administration Act 1992, after section 109H (inserted by section 90 of this Act) insert—

"109I Independent review

(1) The Secretary of State must appoint an independent person to carry out reviews of the exercise of functions under sections 109A to 109H and Schedule 3ZD ("investigative functions") by or on behalf of the Secretary of State.

(2) After each review, the independent person must as soon as practicable—
(a) prepare a report on the review, and

(b) submit the report to the Secretary of State.

(3) On receiving a report, the Secretary of State must—
(a) publish it, and
(b) lay a copy before Parliament.

(4) Each review must consider the extent to which —
(a) investigative functions have been exercised in compliance with the requirements of provisions mentioned in subsection (1), relevant codes of practice and relevant guidance, and
(b) the exercise of those functions has been effective in meeting the purposes set out in section 109A(2).

(5) Each report must contain any recommendations which the independent person considers appropriate in light of the review to which it relates.

(6) In subsection (4)(a), "relevant codes of practice" and "relevant guidance" mean codes of practice and guidance to which the Secretary of State must have regard in exercising investigative functions.

109J Independent review: further provision

(1) The Secretary of State may give the independent person appointed under section 109I(1) directions as to the period to be covered by each review under section 109I.

(2) The Secretary of State must consult the independent person before giving a direction under subsection (1).

(3) The Secretary of State may disclose information to the independent person, or to a person acting on behalf of the independent person, for the purposes of reviews being carried out under section 109I.

(4) Regulations may confer functions on a person for the purposes of securing compliance with section 109I.

(5) The Secretary of State may comply with the duty in section 109I(1) by appointing different independent persons to carry out reviews in relation to the exercise of investigative functions—
(a) in England and Wales, and
(b) in Scotland."

CHAPTER 4

OVERPAYMENTS: RECOVERY AND ENFORCEMENT

93 Enforcement of non-benefit payments

In the Social Security Administration Act 1992, after section 71ZH insert—

"Recovery of non-benefit payments

71ZI Overpayment of non-benefit payments: overview and recovery

(1) For the purposes of this section and sections 71ZJ and 71ZK, an overpayment of a non-benefit payment occurs where—

(a) a person ("P") misrepresents, or fails to disclose, a material fact, and

(b) in consequence of the misrepresentation or failure, P or another person receives a non-benefit payment, or an amount of a non-benefit payment, (whether directly or indirectly) that they would not otherwise have received,

and the "overpayment" is that payment or amount.

(2) The overpayment is recoverable from P as if it were an amount recoverable under section 71(1) if, in relation to the misrepresentation or failure to disclose, P—

(a) is convicted of an offence (under this Act or any other enactment), or

(b) agrees to pay a penalty under section 115A.

(3) But subsection (2) is subject to section 71ZJ.

(4) The right to recover an overpayment under this section does not affect any other right that the Secretary of State may have to recover the overpayment (or any other amount in relation to the non-benefit payment).

(5) In this section and sections 71ZJ and 71ZK, "non-benefit payment" has the meaning given by section 121DA(5).

71ZJ Overpayment of non-benefit payments: overpayment decision and notice

(1) Before exercising powers under this Act to recover an overpayment of a non-benefit payment from a person ("P")—

(a) the Secretary of State must give a notice (an "overpayment notice") to P, and

(b) the condition in subsection (5) must be met (opportunity for P to challenge the notice).

(2) The Secretary of State may give P an overpayment notice only if—

(a) P has been convicted of an offence (under this Act or any other enactment), or

(b) it appears to the Secretary of State that there are grounds to institute proceedings against P for an offence (under this Act or any other enactment),

in relation to the overpayment.

(3) An overpayment notice must—

(a) state the amount that the Secretary of State regards as an overpayment,

(b) provide the Secretary of State's reasons for regarding that amount as an overpayment,

(c) set out the effect of the giving of the overpayment notice, and

(d) set out P's right to seek a review of the notice and the right to appeal the outcome of that review (see section 71ZK).

(4) In subsection (3)(c), the reference to the effect of the giving of the overpayment notice is a reference to the Secretary of State's powers to—

(a) invite P to agree to a penalty under section 115A in relation to the overpayment;

(b) recover the overpayment (if P agrees to pay such a penalty, or is convicted of an offence, in relation to the overpayment).

(5) The condition in this subsection is met where—

(a) the time for P to seek a review of the overpayment notice has passed without P seeking a review, or

(b) if P sought a review of the notice within the time allowed, the review has taken place and—

(i) the period mentioned in section 71ZK(6)(a) for P to appeal against the outcome of the review has passed without P bringing an appeal, or

(ii) P's appeal (including any onward appeal) against the outcome of the review has been withdrawn, abandoned or finally determined.

71ZK Overpayment of non-benefit payments: reviews and appeals

(1) A person ("P") given an overpayment notice under section 71ZJ may apply to the Secretary of State for a review of the notice on the following grounds—

(a) that there has been no overpayment of a non-benefit payment, or

(b) that the amount stated in the notice is not correct.

(2) An application under subsection (1) must be made before the end of the period of 1 month beginning with the day after the day on which P was given the notice.

(3) On a review, the Secretary of State may—

(a) uphold the notice,

(b) amend the notice, or

(c) revoke the notice.

(4) The Secretary of State must notify P of the outcome of the review.

(5) Where an overpayment notice is upheld or varied on a review, P may appeal to the First-tier Tribunal against the notice on the following grounds—

(a) that there has been no overpayment, or

(b) that the amount stated in the notice is not correct.

(6) An appeal under subsection (5) may not be brought after the end of—

(a) the period of 1 month beginning with the day after the day on which P is notified of the outcome of the review, or

(b) such longer period (if any) as the Tribunal considers reasonable in all the circumstances.

(7) The First-tier Tribunal may—

(a) uphold the notice,

(b) vary the notice, or

(c) revoke the notice."

94 Recovery and enforcement mechanisms

(1) The Social Security Administration Act 1992 is amended as follows.

(2) In Part 3, after section 80 insert—

"Further provision about recovery

80A Further methods of recovery

(1) This section applies in relation to—

(a) section 80B (restrictions on use of further methods),

(b) section 80C (and Schedule 3ZA) (recovery from a person's bank accounts etc), and

(c) section 80D (and Schedule 3ZB) (disqualification from driving).

(2) References to a recoverable amount are to—

(a) an amount which is recoverable by virtue of any provision of sections 71 to 78, and

(b) a penalty which is payable by virtue of any provision of sections 115A to 115D,

other than an amount or a penalty relating to a devolved benefit.

(3) For the purposes of this Part, a benefit is a devolved benefit if functions under this Part are exercisable in relation to the benefit by the Scottish

Ministers by virtue of section 53 of the Scotland Act 1998, read with section 32 of the Scotland Act 2016.

(4) References to a "liable person" are to a person liable to pay a recoverable amount.

(5) Nothing in Schedule 3ZA or Schedule 3ZB affects any other method of recovery or enforcement that is available in relation to a recoverable amount.

80B Restrictions relating to further methods

(1) The Secretary of State may not exercise a power under Schedule 3ZA or Schedule 3ZB for the purpose of recovering an amount from a liable person unless the Secretary of State has—

(a) given the liable person a reasonable opportunity to settle their liability in respect of the amount,

(b) notified the liable person that the Secretary of State may exercise the power for the purpose of recovering the amount if the liable person does not settle their liability in respect of the amount, and

(c) given the liable person a summary of how the power would be exercised.

(2) The Secretary of State may not—

(a) make a direct deduction order under Schedule 3ZA,

(b) re-start a requirement to make deductions and payments that has been suspended under paragraph 16 of Schedule 3ZA, or

(c) apply for a suspended or immediate DWP disqualification order under Schedule 3ZB,

in respect of a liable person if subsection (3) or (4) applies.

(3) This subsection applies if it is reasonably possible to recover the amount from the liable person by way of deductions from earnings.

(4) This subsection applies if the liable person is entitled to and in receipt of a relevant benefit.

(5) The Secretary of State may not exercise the powers under Schedule 3ZB for the purpose of recovering an amount from a liable person unless satisfied that it is not reasonably possible to recover the amount by way of a direct deduction order under Schedule 3ZA.

(6) Subsections (7) and (8) apply where a liable person becomes entitled to and in receipt of a relevant benefit at a time when—

(a) a direct deduction order under Schedule 3ZA, or

(b) an immediate DWP disqualification order under Schedule 3ZB,

has effect in relation to the liable person.

(7) In a case within subsection (6)(a), the Secretary of State must revoke or suspend the direct deduction order.

(8) In a case within subsection (6)(b)—

(a) the Secretary of State must notify the court that made the immediate DWP disqualification order that the person to whom the order relates has become entitled to and in receipt of a relevant benefit, and

(b) a court officer must make an order (without a hearing) revoking the immediate DWP disqualification order.

(9) In this section—

"court officer" means a member of the staff of the court in question authorised by the court for the purposes of subsection (8)(b);

"deductions from earnings" means deductions from earnings under, or by virtue of, section 71 or 71ZD;

"relevant benefit" means a benefit that is—

(a) administered by the Secretary of State with responsibility for social security, and

(b) recoverable under section 71 or 71ZB."

(3) In section 111 (delay, obstruction etc of inspector), in subsection (1)(b), after "otherwise than" insert "under Schedule 3ZA, Schedule 3B or".

(4) In section 191 (interpretation), at the appropriate places insert the following definitions—

""direct deduction order" has the meaning given by paragraph 1 of Schedule 3ZA;";

""immediate DWP disqualification order" has the meaning given by paragraph 2(2) of Schedule 3ZB;";

""lump sum direct deduction order" has the meaning given by paragraph 1(5) of Schedule 3ZA;";

""regular direct deduction order" has the meaning given by paragraph 1(4) of Schedule 3ZA;";

""suspended DWP disqualification order" has the meaning given by paragraph 1(3) of Schedule 3ZB;".

95 Recovery from bank accounts etc

(1) The Social Security Administration Act 1992 is amended as follows.

(2) After section 80B (inserted by section 94 of this Act) insert—

"80C Recovery from bank accounts

Schedule 3ZA (recovery from bank accounts) makes provision for a recoverable amount to be recoverable directly from a person's bank account."

(3) After Schedule 3 insert, as Schedule 3ZA, the Schedule in Schedule 5 to this Act.

(4) In section 190 (Parliamentary control of orders and regulations), in subsection (1), after paragraph (ab) insert—

"(ac) regulations making provision in reliance on paragraph 25(3) of Schedule 3ZA; or".

96 Disqualification from driving

(1) The Social Security Administration Act 1992 is amended in accordance with subsections (2) and (3).

(2) After section 80C (inserted by section 95(2) of this Act) insert—

"80D Disqualification from driving

Schedule 3ZB makes provision for a liable person to be disqualified from driving while some or all of a recoverable amount remains unrecovered."

(3) After Schedule 3ZA (inserted by section 95(3) of this Act) insert, as Schedule 3ZB, the Schedule in Schedule 6 to this Act.

(4) The Road Traffic Offenders Act 1988 is amended in accordance with subsections (5) to (7).

(5) In section 27 (production of licence), in subsection (3), after "Child Support Act 1991" insert "or paragraph 5 of Schedule 3ZB to the Social Security Administration Act 1992".

(6) In section 37 (effect of order of disqualification), in subsection (1A), at the end of paragraph (a)—

(a) omit the "or", and

(b) insert—

"(aa) the disqualification is for a period shorter than 56 days under paragraph 2 of Schedule 3ZB to the Social Security Administration Act 1992, or".

(7) In section 42 (removal of disqualification), in subsection (6), after "Act" insert "or under paragraph 2 of Schedule 3ZB to the Social Security Administration Act 1992".

(8) In the Road Traffic Act 1988, in section 164 (power of constables to require production of driving licence etc), in subsection (5), after "required under" insert "paragraph 5 of Schedule 3ZB to the Social Security Administration Act 1992,".

97 Code of practice

In the Social Security Administration Act 1992, after section 80D (inserted by section 96 of this Act) insert—

"80E Code of practice

(1) The Secretary of State must issue a code of practice about the exercise of the Secretary of State's functions under Schedule 3ZA and Schedule 3ZB.

(2) The code of practice must include provision about—

(a) the giving of notices to banks requiring the provision of information under Schedule 3ZA;

(b) the processing (within the meaning of section 3(4) of the Data Protection Act 2018) of information received in response;

(c) the circumstances in which penalties may be issued to banks;

(d) the circumstances in which the Secretary of State expects to exercise functions under Schedule 3ZB.

(3) Before issuing the code of practice for the first time, the Secretary of State must carry out a public consultation on a draft of the code.

(4) The requirement in subsection (3) may be satisfied by public consultation carried out before this section comes into force.

(5) The Secretary of State may from time to time revise and re-issue the code of practice.

(6) The Secretary of State must lay the code of practice, or any reissued code of practice, before Parliament."

98 Rights of audience

In the Social Security Administration Act 1992, after section 80E (inserted by section 97 of this Act) insert—

"80F Rights of audience

(1) An officer of the Secretary of State who is authorised by the Secretary of State for the purposes of this section has a right of audience and the right to conduct litigation in relation to proceedings for or in connection with the recovery of overpayments under a provision of this Part before—

(a) a magistrates' court,

(b) the county court, and

(c) the Crown Court.

(2) In this section, "right of audience" and "right to conduct litigation" have the same meanings as in section 119 of the Courts and Legal Services Act 1990."

99 Recovery of costs

(1) The Social Security Administration Act 1992 is amended as follows.

(2) In section 71ZE, omit subsection (3).

(3) After section 80F (inserted by section 98 of this Act) insert—

"80G Recovery of costs

Any costs which the Secretary of State reasonably incurs in recovering an amount that is recoverable under any provision of sections 71 to 80, Schedule 3ZA or Schedule 3ZB may be recovered by the Secretary of State as if they were amounts recoverable under that provision."

100 Recovery: further provision

In the Social Security Administration Act 1992, after section 80G (inserted by section 99 of this Act) insert—

"80H Recovery: further provision

(1) Subsection (2) applies in relation to any provision for the disclosure or obtaining of information made by or under this Part.

(2) The provision does not require or authorise any disclosure of information that is prohibited by any of Parts 1 to 7 or Chapter 1 of Part 9 to the Investigatory Powers Act 2016.

(3) The disclosure of information in accordance with the provision (as read subject to subsection (2)) does not breach—

(a) any obligation of confidence owed by the person making the disclosure, or

(b) any other restriction on the disclosure of information (however imposed).

(4) In this Part, references to giving a notice or other document (however expressed) include sending the notice or document by post."

CHAPTER 5

OFFENCES, PENALTIES ETC

101 Offences: non-benefit payments

(1) The Social Security Administration Act 1992 is amended as follows.

(2) In section 111A (dishonest representations for obtaining benefit etc)—

(a) in subsection (1), in the words after paragraph (b), after "legislation" insert "or a non-benefit payment";

(b) after subsection (1G) insert—

"(1H) For the purposes of subsections (1A) to (1G), references to—

(a) a person being entitled to, or having a right to receive, a payment under a provision of the relevant social security legislation include references to a person being entitled to, or having a right to receive, or qualifying for, a non-benefit payment, and

(b) a person's entitlement to a payment under a provision of the relevant social security legislation include references to a person's entitlement to, or qualification for, a non-benefit payment."

(3) In section 112 (false representations for obtaining benefit etc)—

(a) after subsection (1) insert—

"(1ZA) A person is guilty of an offence if, for the purpose of obtaining a non-benefit payment for themselves or another person, they—

(a) make a statement or representation which they know to be false, or

(b) produce or furnish, or knowingly cause or knowingly allow to be produced or furnished, any document or information which they know to be false in a material particular.";

(b) after subsection (1F) insert—

"(1G) For the purposes of subsections (1A) to (1F), references to—

(a) a person being entitled to, or having a right to receive, a payment under a provision of the relevant social security legislation include references to a person being entitled to, or having a right to receive, or qualifying for, a non-benefit payment, and

(b) a person's entitlement to a payment under a provision of the relevant social security legislation include references to a person's entitlement to, or qualification for, a non-benefit payment."

(4) In section 121DA(5) (interpretation of Part 6), at the appropriate place insert—

""non-benefit payment" means a prescribed payment which—

(a) is not a payment of a relevant social security benefit, and

(b) is made by the Secretary of State with responsibility for social security for the purposes of providing financial assistance to a person, whether directly or indirectly."

102 Penalty as alternative to prosecution: extension to non-benefit payments

(1) Section 115A of the Social Security Administration Act 1992 (penalty as alternative to prosecution) is amended in accordance with subsections (2) to (6).

(2) After subsection (1A) insert—

"(1B) This section also applies where—

(a) an overpayment notice has been given to a person ("P") under section 71ZJ (overpayment notice in relation to non-benefit payment), and

(b) in relation to the overpayment notice, the condition in subsection (1C) is met.

(1C) The condition in this subsection is met where—

(a) the time for P to seek a review of the overpayment notice under section 71ZK has passed without P seeking a review, or

(b) if P sought a review of the notice within the time allowed, the review has taken place, and—

(i) the period mentioned in section 71ZK(6)(a) for P to appeal against the outcome of the review has passed without P bringing an appeal, or

(ii) P's appeal (including any onward appeal) against the outcome of the review has been withdrawn, abandoned or finally determined."

(3) In subsection (2)(a), after "above" insert ", or in relation to the overpayment notice referred to in subsection (1B),".

(4) In subsection (3), after "(1)" insert "or (1B)".

(5) In subsection (8), in the words before paragraph (a), after "section" insert ", except in relation to a case referred to in subsection (1B),".

(6) After subsection (8) insert—

"(8A) In relation to a case referred to in subsection (1B), "overpayment" has the meaning given in section 71ZI(1)."

(7) In section 115B of the Social Security Administration Act 1992 (penalty as alternative to prosecution: colluding employers etc), in subsection (2)(b), after "benefit offence" insert "or an offence in relation to an overpayment of a non-benefit payment".

103 Amendments to the Social Security Fraud Act 2001: loss of benefits following penalty

(1) The Social Security Fraud Act 2001 is amended as follows.

(2) In section 6B(2) (loss of benefits in case of conviction, penalty or caution for benefit offence)—

(a) in paragraph (a)—

(i) omit the words from "section 115A" to "or", and

(ii) for the words "the corresponding provision for Northern Ireland" substitute "penalty as alternative to prosecution in Northern Ireland", and

(b) omit sub-paragraph (i) of paragraph (b).

(3) In section 6C (section 6B: supplementary provision)—

(a) in subsection (2)(b) omit the words "the Social Security Act 1998 or", and

(b) in subsection (3) omit the words "the Social Security Act 1998 or".

104 Powers of Scottish Ministers

(1) The following provisions of this Act have effect as if they were pre-commencement enactments for the purposes of section 53 of the Scotland Act 1998, read with section 32 of the Scotland Act 2016—

(a) sections 76 and 77;

(b) section 99, so far as relating to an amount that is recoverable by the Scottish Ministers under Part 3 of the Social Security Administration Act 1992;

(c) section 100.

(2) Accordingly, an individual who for the time being has the Scottish Ministers' authorisation for the purposes of Part 6 of the Social Security Administration Act 1992, in accordance with section 109A of that Act as amended by section 76 of this Act, has the functions conferred by sections 109B to 109C of that Act, as amended or, in the case of section 109BZA, as inserted, by section 76 of this Act.

PART 3

GENERAL

105 Application and limitation

(1) Subject to subsection (2), any function conferred by a provision of this Act (including by way of amendments to another enactment) is exercisable—

(a) so far as the function relates to investigations or enforcement, in respect of things done or not done before the provision comes into force, and

(b) so far as the function relates to the recovery of money, for the purposes of recovering money which a public authority (whether or not the public authority on which the function is conferred) was entitled to recover before the provision comes into force.

(2) Subsection (1)(a) does not apply in relation to the amendments made by—

(a) section 101 (offences: non-benefit payments), and

(b) section 102 (penalty as alternative to prosecution: extension to non-benefit payments).

(3) Subsection (4) applies in relation to an action—

(a) for an amount that a relevant public authority is entitled to claim from a person as a result of fraud which the person carried out, before the

day on which this section comes into force, in connection with coronavirus, and

(b) in relation to which a limitation period of less than 12 years from the date on which the cause of action accrues would otherwise have applied.

(4) The time limit for bringing the action is 12 years beginning with the day on which the relevant public authority discovers the fraud or could with reasonable diligence discover it (whether that day is before, on or after the day on which this section comes into force).

(5) For the purposes of subsections (3) and (4)—

(a) a "relevant public authority" is a person who—

(i) exercises functions of a public nature, and

(ii) is not a devolved Scottish authority;

(b) an authority is a "devolved Scottish authority" if its functions—

(i) are exercisable only in or as regards Scotland, and

(ii) are wholly or mainly functions that do not relate to reserved matters within the meaning of the Scotland Act 1998.

(6) For the purposes of subsection (3), "coronavirus" has the meaning given by section 1(1) of the Coronavirus Act 2020.

(7) In the Limitation Act 1980, in section 38 (interpretation), in subsection (11)—

(a) in paragraph (a), after "1992," insert "including as amended by the Public Authorities (Fraud, Error and Recovery) Act 2025,",

(b) omit "or" at the end of paragraph (b), and

(c) at the end of paragraph (c) insert ", or

(d) Part 1 of the Public Authorities (Fraud, Error and Recovery) Act 2025,".

(8) In the Prescription and Limitation (Scotland) Act 1973, in Schedule 1 (obligations affected by prescriptive periods of 5 years under section 6), in paragraph 2(fb)(i), at the end insert ", including as amended by the Public Authorities (Fraud, Error and Recovery) Act 2025".

106 Power to make consequential provision

(1) The Secretary of State or the Minister may by regulations make provision that is consequential on this Act.

(2) Regulations under this section may amend, repeal or revoke provision made by or under an Act passed—

(a) before this Act, or

(b) later in the same session of Parliament as this Act.

(3) Regulations under this section are to be made by statutory instrument.

(4) A statutory instrument containing regulations under this section that amend or repeal provision made by an Act (whether alone or with other provisions) may not be made unless a draft of the statutory instrument has been laid before, and approved by a resolution of, each House of Parliament.

(5) Any other statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.

107 Financial provision

There is to be paid out of money provided by Parliament—

(a) any expenditure incurred under, or by virtue of, this Act by a Minister of the Crown, a person holding office under His Majesty or a government department, and

(b) any increase attributable to this Act in the sums payable under or by virtue of any other Act out of money so provided.

108 Extent

(1) This Act extends to England and Wales and Scotland, subject as follows.

(2) Part 1 of this Act extends to England and Wales only.

(3) Any amendment, repeal or revocation made by this Act has the same extent as the provision amended, repealed or revoked.

109 Commencement

(1) Except as provided by subsection (2), this Act comes into force on such day as the Secretary of State or the Minister for the Cabinet Office may by regulations appoint.

(2) The following provisions come into force on the day on which this Act is passed—

(a) this Part, and

(b) any other provision of this Act so far as it confers power to make regulations or is otherwise necessary for enabling the exercise of such a power on or after the day on which this Act is passed.

(3) Different days may be appointed under subsection (1) for different purposes or different areas.

(4) The Secretary of State or the Minister for the Cabinet Office may by regulations make transitional or saving provision in connection with the coming into force of any provision of this Act.

(5) The power to make regulations under subsection (4) includes power to make different provision for different purposes.

(6) Regulations under this section are to be made by statutory instrument.

110 Short title

This Act may be cited as the Public Authorities (Fraud, Error and Recovery) Act 2025.

SCHEDULES

SCHEDULE 1

Section 7

FRAUD AGAINST PUBLIC AUTHORITIES: POLICE AND CRIMINAL EVIDENCE ACT 1984 POWERS

Introduction

1 This Schedule contains modifications of the provisions of the Police and Criminal Evidence Act 1984 mentioned in section 7(2) for the purposes of their application to authorised investigators in accordance with section 7(1).

General modifications

2 (1) Each reference to a constable (however expressed) is to be read as including a reference to an authorised investigator.

(2) Each reference to an offence is to be read as a reference to an offence of fraud against a public authority, except for the reference to an offence in section 21(8)(b).

(3) Each reference to a criminal investigation is to be read as a reference to a criminal investigation in connection with an offence of fraud against a public authority.

Specific modifications

3 (1) Section 15 (search warrants: safeguards) is to be read as if—

(a) in subsection (2)(c), for "articles or persons" there were substituted "material";

(b) in subsection (6)(b), for "articles or persons" there were substituted "material".

(2) Section 16 (execution of warrants) is to be read as if—

(a) in subsections (3A) and (3B), for the words "a police officer of at least the rank of inspector", in each case, there were substituted "an authorised investigator of at least the grade of senior executive officer";

(b) after subsection (3B) there were inserted—

"(3C) In subsections (3A) and (3B), the references to an authorised investigator of at least the grade of senior executive officer include—

(a) an authorised investigator who has a grade that is equivalent to that of a senior executive officer, and

(b) an authorised investigator who is a higher executive officer, or has a grade equivalent to that of a higher executive officer, who has been authorised in writing

for the purposes of those subsections by an authorised investigator who is a grade 7 or has a grade that is equivalent to, or higher than, that of a grade 7.";

(c) in subsection (5)(a), the words ", if not in uniform," were omitted;

(d) in subsection (9)(a), for "articles or persons sought were" there were substituted "material sought was".

(3) Section 21 (access and copying) is to be read as if in subsection (3)(b), the reference to the police were a reference to an authorised investigator.

(4) Section 22 (retention) is to be read as if—

(a) for subsection (1), there were substituted—

"(1) Subject to subsection (4), anything which has been—

(a) seized by an authorised investigator,

(b) taken away by an authorised investigator following a requirement made by virtue of section 19 or 20, or

(c) seized or taken away by another person under any enactment and accepted by an authorised investigator,

may be retained so long as is necessary in all the circumstances.";

(b) after subsection (2) there were inserted—

"(2A) Subsection (2B) applies where an authorised investigator—

(a) has seized something or taken something away following a requirement made by virtue of section 19 or 20 on the basis that it is evidence of an offence, and

(b) considers that the thing may be evidence that is relevant to an investigation of an offence (whether or not the offence mentioned in paragraph (a)) in relation to which another person has functions.

(2B) Where this subsection applies—

(a) an authorised investigator may transfer the thing to that person,

(b) where that person considers that the thing may be evidence that is relevant to an investigation in relation to which that person has functions, that person may accept and retain the thing, and

(c) any provision of an enactment that applies to anything seized or taken away by that person applies to the thing as if it had been seized or taken away by that person for the purposes of the investigation of the relevant offence.

(2C) In subsection (2B)(c), "enactment" includes an enactment contained in subordinate legislation within the meaning of the Interpretation Act 1978.";

(c) for subsection (5) there were substituted—

"(5) Nothing in this section affects any power of a court to make an order under section 8 of the Public Authorities (Fraud, Error and Recovery) Act 2025.";

(d) subsection (6) were omitted.

(5) Schedule 1 (special procedure) is to be read as if—

(a) in paragraph 1, for "one or other of the sets of access conditions" there were substituted "the first set of access conditions";

(b) in paragraph 2(a)(ii), for "and does not also include excluded material" there were substituted ", or consists of or includes excluded material,";

(c) paragraph 3 (second set of access conditions) were omitted;

(d) in paragraph 12—

(i) in paragraph (a)(i), for "either set of access conditions" there were substituted "the first set of access conditions";

(ii) paragraph (b) were omitted.

SCHEDULE 2

Section 73

PUBLIC SECTOR FRAUD AUTHORITY AND TRANSFER OF FUNCTIONS

PART 1

POWERS TO ESTABLISH THE PSFA AND TRANSFER FUNCTIONS

Main powers

1 (1) The Minister may by regulations—

(a) provide that a body corporate called the Public Sector Fraud Authority (and referred to in this Schedule as "the PSFA") is established;

(b) provide for the transfer to the PSFA of all or any of the functions to which this paragraph applies.

(2) The Minister may by regulations provide for the transfer to a public authority other than the PSFA of all or any of the functions to which this paragraph applies.

(3) This paragraph applies to the functions initially conferred on the Minister by Chapters 1 to 5 of Part 1 of this Act (including functions conferred by an amendment of another enactment), except any function of making regulations or issuing a code of practice.

(4) A function transferred under sub-paragraph (2) may subsequently be transferred to the PSFA under sub-paragraph (1)(b).

(5) But a function transferred to the PSFA under sub-paragraph (1)(b) may not subsequently be transferred to another public authority under sub-paragraph (2).

Authorised officers

2 (1) The reference in paragraph 1(3) to functions initially conferred on the Minister includes functions initially conferred on authorised officers.

(2) In relation to a function initially conferred on an authorised officer, references in this Part of this Schedule to the transfer of the function to another body are to be read as references to the transfer of the function to an authorised officer of that body.

(3) Where—

(a) a function initially conferred on an authorised officer is transferred by regulations under paragraph 1, and

(b) as a result of any provision of Chapters 1 to 5 of Part 1 of this Act, that function could be exercised only by an authorised officer of a particular rank, grade or description,

the regulations must provide for the function to be exercised by an authorised officer of the transferee of a corresponding grade, rank or description.

(4) In this paragraph, "authorised officer" includes "authorised investigator".

Associated modifications

3 (1) Where functions are transferred to the PSFA or another public authority under paragraph 1, the Minister may by regulations—

(a) make provision about the application, with any necessary modifications, of Part 1 of this Act in relation to the PSFA or other authority;

(b) provide for the Minister to give the PSFA or other authority (or its authorised officers) general or specific directions about the exercise of the transferred functions.

(2) Where functions are transferred to or from a public authority, other than the Minister or the PSFA, under paragraph 1, the Minister may by regulations—

(a) make any modifications that the Minister considers appropriate in connection with the transfer to the constitutional arrangements, funding arrangements or the functions of the authority;

(b) make provision in relation to the authority corresponding to that enabled by paragraph 19 (transfer schemes) in relation to—

(i) the PSFA, where functions are being transferred to the authority, or

(ii) a "relevant person", where functions are being transferred from the authority.

(3) In sub-paragraph (2)(a), "constitutional arrangements" includes the matters referred to in section 3(2) of the Public Bodies Act 2011.

(4) Regulations under paragraph 1 or this paragraph may amend—

(a) Part 1 of this Act, except this Schedule, and

(b) any provision amended by Part 1 of this Act.

Procedure

4 Regulations under this Part of this Schedule are subject to the affirmative procedure.

PART 2

CONSTITUTION ETC

Introduction and status

5 (1) This Part applies if regulations are made under paragraph 1(1) establishing the PSFA.

(2) The PSFA acts on behalf of the Crown.

Constitution

6 (1) The PSFA is to consist of—

(a) a chair, who is to be a non-executive member,

(b) at least 3, but not more than 6, other non-executive members,

(c) a chief executive, and

(d) at least 2, but not more than 5, other executive members.

(2) The members are to be appointed in accordance with paragraphs 7 to 10.

Appointment of non-executive members

7 (1) The Minister is to appoint the non-executive members.

(2) A person may not be appointed as a non-executive member if the person is a member of the PSFA's staff.

Appointment of executive members

8 (1) The chair is to appoint the chief executive and the other executive members, subject to paragraph 9.

(2) The executive members are to be members of the PSFA's staff.

Interim chief executive

9 (1) The Minister may appoint a person (an "interim chief executive") to be the PSFA's chief executive until the appointment of a chief executive by the chair under paragraph 8(1) first takes effect.

(2) An interim chief executive may incur expenditure and do other things in the name and on behalf of the PSFA until the PSFA is first constituted in accordance with paragraph 6(1).

(3) In exercising the power in sub-paragraph (2), an interim chief executive must act in accordance with any directions given by the Minister.

(4) Paragraphs 8, 11 and 13 do not apply to an interim chief executive.

Appointment of members: eligibility

10 (1) The Minister may by regulations make provision about criteria which must be met by persons in order to be appointed as members of the PSFA.

(2) The regulations may make provision for a person to cease to be a member of the PSFA if the person no longer meets those criteria.

(3) Regulations under this paragraph are subject to the negative procedure.

Terms of membership

11 (1) A member of the PSFA holds and vacates office in accordance with the terms of the member's appointment, subject to provision made by or under this Schedule.

(2) A member may resign from office by giving notice to the appropriate person.

(3) A member may be removed from office by notice given by the appropriate person on the grounds that the member—

(a) has without reasonable excuse failed to discharge the member's functions, or

(b) is, in the opinion of the appropriate person, unable or unfit to carry out the member's functions.

(4) A person ceases to be—

(a) a non-executive member of the PSFA upon becoming a member of its staff;

(b) an executive member of the PSFA upon ceasing to be a member of its staff.

(5) In this paragraph, "appropriate person" means—

(a) in the case of the non-executive members, the Minister;

(b) in the case of the executive members, the chair.

Non-executive members: payments

12 (1) The PSFA must pay, or make provision for the payment of, such remuneration, pensions, allowances or gratuities as the Minister determines to or in respect of a person who is or has been a non-executive member.

(2) Sub-paragraph (3) applies if—

(a) a person ceases to be a non-executive member, and

(b) the Minister determines that the person should be compensated because of special circumstances.

(3) Where this sub-paragraph applies, the PSFA must pay the person compensation of such amount as the Minister may determine.

Staffing

13 (1) The PSFA may—

(a) appoint employees, and

(b) make such other arrangements for the staffing of the PSFA as it determines.

(2) The PSFA must pay its staff such remuneration as may be determined in accordance with this paragraph.

(3) The PSFA must pay, or make provision for the payment of, such pensions, allowances, gratuities or compensation as may be determined in accordance with this paragraph to or in respect of any person who is or has been a member of staff of the PSFA.

(4) Members of staff of the PSFA are to be appointed on such other terms as may be determined in accordance with this paragraph.

(5) A matter is determined in accordance with this paragraph if—

(a) in the case of a matter which relates to an executive member, it is determined by the chair;

(b) in the case of a matter which relates to any other member of staff, it is determined by the PSFA.

(6) Before making a determination as to remuneration, pensions, allowances, gratuities or compensation for the purposes of sub-paragraph (2) or (3), the PSFA must obtain the approval of the Minister as to its policy on that matter.

Discharge of functions etc

14 (1) The PSFA must have regard to the need to exercise its functions effectively, efficiently and economically.

(2) The PSFA may authorise the following to exercise any of its functions—

(a) a member of the PSFA,

(b) a member of the PSFA's staff authorised for that purpose, or

(c) a committee or sub-committee.

(3) An authorisation may be to such extent and on such terms as the PSFA determines.

(4) The PSFA may pay such remuneration and allowances as it may determine to any person who—

(a) is a member of a committee or a sub-committee, but

(b) is not a member of staff of the PSFA,

whether or not that person is a non-executive member of the PSFA.

Procedure

15 (1) The PSFA may determine its own procedure and the procedure of any of its committees or sub-committees.

(2) The validity of any proceedings of the PSFA, or any committee or sub-committee of the PSFA, is not affected by any vacancy among its members or by any defect in the appointment of such a member.

Annual report

16 (1) As soon as reasonably practicable after the end of each financial year the PSFA must prepare a report on the exercise of its functions during that financial year.

(2) The PSFA must send the report to the Minister.

(3) The Minister must lay the report before Parliament and publish it.

(4) In this Schedule, "financial year" means—

(a) the period beginning with the date on which the PSFA is established and ending with 31 March following that date, and

(b) each successive period of 12 months.

Seal and evidence

17 (1) The application of the PSFA's seal must be authenticated by a signature of—

(a) a member of the PSFA, or

(b) another person authorised for that purpose by the PSFA.

(2) A document purporting to be duly executed under the PSFA's seal or signed on its behalf—

(a) is to be received in evidence, and

(b) is to be taken to be executed or signed in that way, unless the contrary is shown.

(3) But this paragraph does not apply in relation to any document which is, or is to be, signed in accordance with the law of Scotland.

Supplementary powers

18 (1) Subject to sub-paragraph (2), the PSFA may do anything it thinks necessary or expedient for the purposes of, or in connection with, the exercise of its functions.

(2) The PSFA may not—

(a) borrow money;

(b) accept gifts of money, land or other property.

Transfer schemes

19 (1) The Minister may make one or more schemes ("transfer schemes") for the purpose of transferring to the PSFA such property, rights and liabilities of a relevant person as the Minister considers appropriate for the purposes of enabling the PSFA to exercise functions transferred to it by regulations under paragraph 1.

(2) In this paragraph, "relevant person" means—

(a) the Secretary of State,

(b) the Minister, or

(c) the Chancellor of the Duchy of Lancaster.

(3) The things that may be transferred under a transfer scheme include—

(a) property, rights and liabilities that could not otherwise be transferred;

(b) property acquired, and rights and liabilities arising, after the making of the scheme;

(c) criminal liabilities.

(4) A transfer scheme may make supplementary, incidental, transitional or consequential provision and may, in particular—

(a) create rights, or impose liabilities, in relation to property or rights transferred;

(b) make provision about the continuing effect of things done by a relevant person in respect of anything transferred;

(c) make provision about the continuation of things (including legal proceedings) in the process of being done by, on behalf of, or in relation to, a relevant person in respect of anything transferred;

(d) make provision for the shared ownership or use of property;

(e) make provision which is the same as or similar to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (S.I. 2006/246);

(f) make other supplemental, incidental, transitional or consequential provision.

(5) A transfer scheme may provide for—

(a) modifications by agreement;

(b) modifications to have effect from the date when the original scheme came into effect.

(6) For the purposes of this paragraph—

(a) references to rights and liabilities include rights and liabilities relating to a contract of employment;

(b) references to the transfer of property include the grant of a lease.

(7) For the purposes of sub-paragraph (6)—

(a) an individual who holds employment in the civil service is to be treated as employed by virtue of a contract of employment, and

(b) the terms of the individual's employment in the civil service are to be regarded as constituting the terms of the contract of employment.

Amendments to other enactments

20 In Part 2 of the table in paragraph 3 of Schedule 1 to the Public Records Act 1958 (definition of public records), at the appropriate place insert—

"Public Sector Fraud Authority."

21 In Schedule 2 to the Parliamentary Commissioner Act 1967 (departments etc subject to investigation), at the appropriate place insert—

"Public Sector Fraud Authority."

22 In Part 2 of Schedule 1 to the House of Commons Disqualification Act 1975 (bodies of which all members are disqualified), at the appropriate place insert—

"The Public Sector Fraud Authority."

23 In Part 6 of Schedule 1 to the Freedom of Information Act 2000 (public authorities to which that Act applies), at the appropriate place insert—

"The Public Sector Fraud Authority."

24 In Part 1 of Schedule 19 to the Equality Act 2010 (authorities subject to the public sector equality duty), after the group of entries under the heading "Environment, housing and development" insert—

"Fraud against the public sector

The Public Sector Fraud Authority."

PART 3

POWER TO CHANGE NAME

25 (1) The Minister may by regulations amend section 73 of this Act and this Schedule so as to change the name of the PSFA.

(2) Regulations under sub-paragraph (1) may not be made after regulations are made under paragraph 1(1)(a).

(3) Regulations under sub-paragraph (1) are subject to the negative procedure.

SCHEDULE 3

Section 78

ELIGIBILITY VERIFICATION ETC

PART 1

ELIGIBILITY VERIFICATION

1 The Schedule to be inserted into the Social Security Administration Act 1992 after Schedule 3A is—

"SCHEDULE 3B

Section 121DB

ELIGIBILITY VERIFICATION

PART 1

POWER TO REQUIRE INFORMATION

Power to require information by way of an eligibility verification notice

1 (1) The Secretary of State may, for the purposes of assisting in identifying incorrect payments of a relevant benefit, give a person of a type mentioned in paragraph 2 a notice (an "eligibility verification notice") requiring the person to take the steps mentioned in sub-paragraphs (3) and (4).

(2) The Secretary of State may give an eligibility verification notice only where the Secretary of State considers that it is necessary and proportionate to do so.

(3) The first step is to identify relevant accounts (see paragraph 20(1)) which—

(a) the person provides, and

(b) are accounts—

(i) into which a specified relevant benefit has been paid, or are accounts linked to such accounts, and

(ii) which meet specified criteria ("eligibility indicators") whether alone or with other accounts within paragraph (a) and sub-paragraph (i) of this paragraph.

(4) The second step is to give to the Secretary of State the following information for each identified account—

(a) specified details about the account (for example, sort code and account number),

(b) specified details about the account holders (for example, their names and dates of birth), and

(c) specified details about how the account meets the eligibility indicators.

(5) Information that amounts to transaction information or special category data—

(a) may not be required by the Secretary of State by way of an eligibility verification notice, and

(b) must not be given to the Secretary of State in response to such a notice.

(6) But the prohibition against the requiring and giving of special category data does not prohibit the requiring and giving of data to establish that an individual is in receipt of the specified relevant benefit.

(7) A person given an eligibility verification notice is not required to carry out the steps set out in sub-paragraphs (3) and (4) in relation to any account that is held outside the United Kingdom.

(8) In this paragraph the reference to an account which is linked to an account into which a specified relevant benefit is paid is to an account held by the same person who holds the account into which that benefit is paid.

(9) In this Schedule, references to an incorrect payment of a benefit—

(a) are references to a payment of an amount in respect of that benefit which is not equal to the amount for which the benefit recipient is eligible, and

(b) include references to payments that have been made or that may be made.

Types of person to whom an eligibility verification notice can be given

2 (1) The types of persons referred to in paragraph 1(1) are persons—

(a) to whom sub-paragraph (2) applies, or

(b) who are described in regulations.

(2) This sub-paragraph applies to persons who—

(a) are authorised—

(i) to accept deposits, or

(ii) to issue electronic money, and

(b) in the course of that activity, provide relevant accounts into which a relevant benefit may be paid.

(3) Regulations under sub-paragraph (1)(b) may describe only types of person who provide accounts which are, or correspond to, relevant accounts (including accounts that operate by reference to cryptoassets or any similar asset).

(4) In sub-paragraph (3), "cryptoasset" has the meaning given in section 84A of the Proceeds of Crime Act 2002.

(5) For the purposes of sub-paragraph (2)(a)(i) —

(a) the reference to accepting deposits is to carrying on the regulated activity of accepting deposits for the purposes of the Financial Services and Markets Act 2000 (see section 22 of that Act and article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)), and

(b) a person is authorised to accept deposits if they are an authorised person or an exempt person in relation to the carrying on of that activity for the purposes of the Financial Services and Markets Act 2000.

(6) For the purposes of sub-paragraph (2)(a)(ii), a person is authorised to issue electronic money if the person—

(a) is an electronic money institution, and

(b) the person is authorised or registered under Part 2 of the Electronic Money Regulations 2011 (S.I. 2011/99) in relation to carrying on the activity of issuing electronic money.

(7) In this paragraph, "electronic money" and "electronic money institution" have the meanings given by regulation 2(1) of those Regulations (and references to the issue of electronic money are to be construed in accordance with those Regulations).

Eligibility indicators

3 (1) The eligibility indicators in an eligibility verification notice must be criteria which indicate that the specified relevant benefit may have been, or may be, incorrectly paid.

(2) The eligibility indicators may be criteria to be met by a single account or by two or more accounts combined.

(3) The eligibility indicators must not include personal data.

Further provision about eligibility verification notices

4 (1) An eligibility verification notice must specify a period within which the person given the notice must comply with the notice to avoid liability to a penalty under Part 2 of this Schedule.

(2) The period specified—

(a) must begin with the day on which the notice is given, and

(b) must not be less than 14 days.

(3) An eligibility verification notice must give details about—

(a) the right to seek a review of the notice under paragraph 13,

(b) the right to appeal against the notice under paragraph 14, and

(c) the penalties that may be imposed under Part 2 of this Schedule.

(4) An eligibility verification notice (a "periodic eligibility verification notice") may require a person to take the steps set out in paragraph 1(3) and (4) at specified intervals within a period not exceeding 1 year from the date of the notice.

(5) If it does so, the eligibility verification notice must set out the periods within which the person must comply with the eligibility verification notice for each specified interval.

(6) Each such period must not be less than 14 days.

(7) An eligibility verification notice may not require a person to examine historic data, except for the purpose set out in sub-paragraph (9).

(8) Data is historic, in relation to an eligibility verification notice, if it relates to a time before the beginning of the period of 1 year ending with the day on which the notice is given.

(9) An eligibility verification notice may require a person to provide the date that an account which meets an eligibility indicator first began to meet that indicator.

(10) An eligibility verification notice may require information—

(a) to be compiled or collated in a specified manner;

(b) to be provided in a specified way (including by electronic transmission to a specified address or portal).

(11) The Secretary of State may vary or revoke an eligibility verification notice by giving notice to the person to whom it was given.

Use of information obtained

5 (1) Information given to the Secretary of State in response to an eligibility verification notice ("EVM information") may be used—

(a) to assist in identifying incorrect payments of any benefit, or

(b) in criminal or civil proceedings relating to such payments,

but not for any other purpose.

(2) Sub-paragraph (3) applies where—

(a) an authorised officer is considering whether to give an information notice under section 109BZA in relation to a person, and

(b) the Secretary of State has been given EVM information that is relevant to the question whether to give the information notice.

(3) The authorised officer must have regard to all information that the Secretary of State has that is relevant to the question whether

to give the information notice, including information that is not EVM information.

(4) Sub-paragraph (5) applies where—

(a) the Secretary of State is considering whether to suspend payments of a benefit to a person in accordance with regulations under section 21 or 22 of the Social Security Act 1998, and

(b) the Secretary of State has been given EVM information that is relevant to the question whether to suspend the payments.

(5) The Secretary of State must have regard to all information that the Secretary of State has that is relevant to the question whether to suspend the payments, including information that is not EVM information.

(6) Sub-paragraph (7) applies where—

(a) the Secretary of State is considering whether a decision taken under section 8, 9 or 10 of the Social Security Act 1998 in relation to a person ("the earlier decision") should be revised or superseded, and

(b) the Secretary of State has been given EVM information that is relevant to the question whether the earlier decision should be revised or superseded.

(7) The Secretary of State must have regard to all information that the Secretary of State has that is relevant to the question whether the earlier decision should be revised or superseded, including information that is not EVM information.

Restrictions on disclosure

6 (1) This Schedule does not require or authorise any disclosure of information that is prohibited by any of Parts 1 to 7 or Chapter 1 of Part 9 of the Investigatory Powers Act 2016.

(2) Any disclosure of information carried out in accordance with this Schedule (as read subject to sub-paragraph (1)) does not breach—

(a) any obligation of confidence owed by the person disclosing the information, or

(b) any other restriction on the disclosure of information (however imposed).

PART 2

PENALTIES

Fixed penalty for failure to comply with an eligibility verification notice

7 (1) If the Secretary of State considers that a person given an eligibility verification notice—

(a) has failed to comply with the notice within the period specified, and

(b) has no reasonable excuse for the failure,

the Secretary of State may impose a penalty (a "fixed penalty") on the person.

(2) But the Secretary of State may not impose a fixed penalty before—

(a) giving the person an opportunity to make representations about their compliance, and

(b) if the person has sought a review of the notice under paragraph 13, the conclusion of that review.

(3) The Secretary of State imposes a fixed penalty by giving the person a notice of the penalty (a "fixed penalty notice").

(4) A fixed penalty notice must state—

(a) the reason for the penalty,

(b) the amount of the penalty, and

(c) the period within which it must be paid.

(5) A fixed penalty may not exceed £1,000.

(6) The Secretary of State may vary or revoke a fixed penalty notice by giving notice to the person to whom it was given.

(7) The Secretary of State may not impose more than one fixed penalty in respect of an eligibility verification notice except a periodic eligibility verification notice.

(8) In the case of a periodic eligibility verification notice, the Secretary of State may not impose more than one fixed penalty in respect of each specified interval.

Daily rate penalty for continuing failure to comply

8 (1) The Secretary of State may impose a penalty (a "daily rate penalty") on a person if—

(a) a fixed penalty has been imposed on the person in relation to a failure to comply with an eligibility verification notice, and

(b) the Secretary of State considers that the person's failure to comply without reasonable excuse is continuing.

(2) The Secretary of State imposes a daily rate penalty by giving the person a notice of the penalty (a "daily rate penalty notice").

(3) A daily rate penalty notice must state—

(a) the reason for the penalty,

(b) the daily rate of the penalty, and

(c) that the penalty will be payable in relation to each day by the end of which the person has failed to comply with the eligibility verification notice or such earlier date as may be specified or described in the notice.

(4) The daily rate of a daily rate penalty may not exceed £40.

(5) The Secretary of State may vary or revoke a daily rate penalty notice by giving notice to the person to whom it was given.

(6) The Secretary of State may not impose more than one daily rate penalty in respect of an eligibility verification notice except a periodic eligibility verification notice.

(7) In the case of a periodic eligibility verification notice, the Secretary of State may not impose more than one daily rate penalty in respect of each specified interval.

Increased daily rate penalties

9 (1) This paragraph applies if—

(a) a daily rate penalty is imposed on a person,

(b) the failure to which the penalty relates continues for more than 30 days beginning with the first day on which the daily rate penalty is payable, and

(c) the person has been notified that the Secretary of State may apply for an increased daily rate penalty to be payable.

(2) The Secretary of State may make an application to the Tribunal for an increased daily rate penalty to be payable by the person.

(3) If the Tribunal determines that an increased daily rate penalty must be paid, it must determine—

(a) the increased daily rate, and

(b) the date from which the increased rate begins to be payable.

(4) In deciding the increased daily rate, the Tribunal, must, in particular, have regard to—

(a) the likely cost to the person of complying with the eligibility verification notice,

(b) any benefits to the person in not complying with it, and

(c) any benefits to anyone else resulting from the person's non-compliance.

(5) The Tribunal may not determine a daily rate that exceeds £1,000.

(6) The Secretary of State must notify the person of the Tribunal's determination.

Penalties for inaccurate or prohibited information

10 (1) The Secretary of State may impose a penalty (an "inaccurate information penalty") on a person under this paragraph if the Secretary of State considers that—

(a) in complying with an eligibility verification notice, the person has given the Secretary of State inaccurate information, and

(b) condition A, B or C is met.

(2) Condition A is that the inaccuracy was—

(a) deliberate, or

(b) due to a failure, without reasonable excuse, by the person to take reasonable care.

(3) Condition B is that the person—

(a) knew of the inaccuracy at the time of giving the information,

(b) failed to inform the Secretary of State at that time, and

(c) has no reasonable excuse for the failure.

(4) Condition C is that the person—

(a) discovered the inaccuracy some time later,

(b) failed to take reasonable steps to inform the Secretary of State, and

(c) has no reasonable excuse for the failure.

(5) The Secretary of State may impose a penalty (a "prohibited information penalty") under this paragraph if the person, without reasonable excuse, gives the Secretary of State information in contravention of paragraph 1(5) (transaction information or special category data).

(6) But the Secretary of State may not impose a penalty under this paragraph before giving the person an opportunity to make representations about—

(a) in the case of an inaccurate information penalty, whether or not—

(i) the information is inaccurate;

(ii) condition A, B or C is met;

(b) in the case of a prohibited information penalty, whether or not the person has given information in contravention of paragraph 1(5) without any reasonable excuse.

(7) The Secretary of State imposes a penalty under this paragraph by giving a notice (an "information penalty notice").

(8) An information penalty notice must state—

(a) the reason for the penalty,

(b) the amount of the penalty, and

(c) the period within which it must be paid.

(9) A penalty under this paragraph may not exceed £3,000.

(10) The Secretary of State may vary or revoke an information penalty notice by giving notice to the person to whom it was given.

Recovery of penalties

11 (1) In England and Wales, a penalty imposed under this Part of this Schedule is recoverable—

(a) if the county court so orders, as if it were payable under an order of that court;

(b) if the High Court so orders, as if it were payable under an order of that court.

(2) In Scotland, a penalty imposed under this Part of this Schedule may be enforced in the same manner as an extract registered decree arbitral bearing a warrant for execution issued by the sheriff court of any sheriffdom in Scotland.

Power to change maximum amount of penalties

12 Regulations may amend the amount for the time being specified in paragraph 7(5), 8(4), 9(5) or 10(9) to reflect a change in the value of money.

PART 3

REVIEWS

13 (1) A person to whom an eligibility verification notice is given may apply to the Secretary of State for a review of the decision to give the notice.

(2) An application under sub-paragraph (1) must be made within the period of 14 days beginning with the day on which the notice is given.

(3) On a review, the Secretary of State may—

(a) revoke the notice,

(b) uphold the notice, or

(c) vary the notice.

(4) After a review has been carried out, the Secretary of State must—

(a) notify the person who applied for the review of the outcome of the review, and

(b) if the outcome was to vary the notice, give the person the varied notice.

(5) Where an application for a review of an eligibility verification notice is made under sub-paragraph (1) —

(a) the notice is of no effect until the application is determined or withdrawn, and

(b) if the notice is upheld or varied, the period for compliance (or the first period for compliance in the case of a periodic eligibility verification notice) begins with the day on which the outcome of the review is notified to the person to whom the eligibility verification notice was given.

PART 4

APPEALS

Appeals against eligibility verification notices

14 (1) A person who is given an eligibility verification notice may appeal to the Tribunal against the notice on any of the following grounds—

(a) the person is not a person to whom an eligibility verification notice may be given;

(b) the notice is not in accordance with this Schedule;

(c) it is unduly onerous to comply with the notice.

(2) An appeal under sub-paragraph (1) may not be brought after the end of—

(a) the period of 14 days beginning with—

(i) the day on which the eligibility verification notice was given, or

(ii) if the person seeks a review of the notice under paragraph 13, the day on which the person is notified of the outcome of the review, or

(b) such longer period (if any) as the Tribunal considers reasonable in all the circumstances.

(3) On an appeal under sub-paragraph (1), the Tribunal may—

(a) amend the eligibility verification notice,

(b) revoke the eligibility verification notice, or

(c) dismiss the appeal.

(4) Where an appeal under sub-paragraph (1) is brought against an eligibility verification notice the notice is of no effect until the appeal is determined or withdrawn, unless the Tribunal orders otherwise.

Appeals against penalty notices

15 (1) A person on whom a penalty is imposed under Part 2 of this Schedule may appeal to the Tribunal against—

(a) the penalty;

(b) the amount of the penalty;

(c) in the case of a daily rate penalty, the period during which the daily amounts are payable.

(2) But a person may not appeal against a decision of the Tribunal to increase a daily rate penalty under paragraph 9.

(3) An appeal under sub-paragraph (1) may not be brought after the end of—

(a) the period of 30 days beginning with the date on which the penalty notice in relation to the penalty being appealed was given, or

(b) such longer period (if any) as the Tribunal considers reasonable in all the circumstances.

(4) On an appeal under sub-paragraph (1), the Tribunal may—

(a) revoke the decision to impose the penalty;

(b) amend the amount of the penalty;

(c) amend the period within which all or part of the penalty is to be paid;

(d) dismiss the appeal.

(5) If an appeal is brought under sub-paragraph (1), the penalty which is the subject of the appeal is not payable until the appeal is determined or withdrawn.

Appeals: further provision

16 (1) If the Tribunal confirms or varies an eligibility verification notice or the imposition of a penalty on an appeal under this Part of this Schedule, the person to whom the notice was given, or on whom the penalty was imposed, must comply with the notice or pay the penalty—

(a) within such period as may be specified by the Tribunal, or

(b) if the Tribunal does not specify a period, within such period as may be specified by the Secretary of State and notified to the person.

(2) A decision by the Tribunal on an appeal under this Part of this Schedule is final (despite the provisions of sections 11 and 13 of the Tribunals, Courts and Enforcement Act 2007).

PART 5

CODE OF PRACTICE

Requirement to issue a code of practice

17 (1) The Secretary of State must issue a code of practice about eligibility verification notices before giving the first such notice under this Schedule.

(2) The code of practice must include provision about—

(a) the exercise of the power to issue an eligibility verification notice;

(b) the processing, use and retention of information given in response to an eligibility verification notice;

(c) the circumstances in which the Secretary of State will regard a person as having complied with an eligibility verification notice;

(d) the imposition of penalties in relation to an eligibility verification notice;

(e) reviews under paragraph 13.

(3) Before issuing the code of practice, the Secretary of State must carry out a public consultation on a draft of the code.

(4) The Secretary of State must lay the code of practice before Parliament.

(5) The requirement in sub-paragraph (3) may be satisfied by public consultation carried out before this paragraph comes into force.

Code of practice: revisions

18 (1) The Secretary of State may from time to time revise and re-issue the code of practice issued under paragraph 17.

(2) Paragraph 17(3) and (4) apply in relation to a re-issue of a code of practice as they apply in relation to the issue of the first code of practice.

(3) But paragraph 17(3) does not apply if the only changes to be made to the code of practice are—

(a) updates to references to legislation or documents which have become out of date, or

(b) in the opinion of the Secretary of State, other minor corrections.

PART 6

GENERAL PROVISION AND INTERPRETATION

Relevant benefits

19 (1) In this Schedule "relevant benefit" means any of the following benefits—

(a) universal credit;

(b) employment and support allowance;

(c) state pension credit.

(2) Regulations may amend this paragraph so as to add, or remove, types of benefit to, or from, the definition of "relevant benefit".

(3) Regulations under sub-paragraph (2) may add a type of benefit only to the extent that the benefit is administered by, or on behalf of, the Secretary of State.

Accounts

20 (1) In this Schedule "relevant account" means a personal account which operates as—

(a) a current account,

(b) a savings account, or

(c) an investment account,

including such an account which operates by reference to electronic money.

(2) For the purposes of sub-paragraph (1)—

(a) "personal account" means an account held by one or more individuals other than an account that is provided for purposes relating to a trade, business or profession;

(b) a current account includes any account—

(i) in which individuals can hold, and from which individuals can withdraw, money, and

(ii) which is designed to allow the holder's money to be used for executing transactions with third parties,

but does not include credit card accounts or current account mortgages;

(c) "electronic money" has the meaning it has in the Electronic Money Regulations 2011 (S.I. 2011/99) (see regulation 2(1)).

(3) In this Schedule a reference to a person holding an account includes a reference to—

(a) a person holding an account jointly with one or more other persons, and

(b) an account being, in any way, in the person's name,

and "holder" is to be read accordingly.

(4) Sub-paragraphs (5) to (8) apply for the purposes of this Schedule where an eligibility verification notice is given to a body corporate ("P").

(5) The reference in paragraph 1(3)(a) to P providing an account includes a reference to another person in the same group as P providing an account if the condition in sub-paragraph (6) is met.

(6) The condition is that P—

(a) is able to identify accounts provided by the other person that are within paragraph 1(3)(b), and

(b) is able to obtain the information about those accounts mentioned in paragraph 1(4).

(7) For the purposes of sub-paragraph (5), two persons are in the same group if both are bodies corporate and—

(a) one of them is a subsidiary of the other, or

(b) both of them are subsidiaries of the same body corporate.

(8) In sub-paragraph (7), "subsidiary" has the meaning given by section 1159 of the Companies Act 2006.

Service

21 In this Schedule, references to giving a notice or other document (however expressed) include sending the notice or document by post.

General interpretation

22 In this Schedule—

"benefit" means—

(a) any relevant social security benefit as defined in section 121DA(7), other than a state pension, and

(b) any payment mentioned in subsection (2)(d) of section 2 of the Employment and Training Act 1973, under arrangements made under that section;

"daily rate penalty" means a penalty imposed under paragraph 8(1);

"eligibility indicators" has the meaning given in paragraph 1(3)(b)(ii) (and see paragraph 3 for conditions that eligibility indicators must meet);

"eligibility verification notice" has the meaning given in paragraph 1(1);

"fixed penalty" means a penalty imposed under paragraph 7(1);

"incorrect payment" , in relation to a benefit, has the meaning given in paragraph 1(9);

"notice" means notice in writing (and "notify" is to be read accordingly);

"periodic eligibility verification notice" has the meaning given in paragraph 4(4);

"personal data" has the same meaning as in the Data Protection Act 2018 (see section 3(2) of that Act);

"processing", in relation to information, has the same meaning as in the Data Protection Act 2018 (see section 3(4) of that Act);

"special category data" means the types of personal data the processing of which is prohibited (to any extent) from time to time under Article 9 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);

"specified" means specified or described in an eligibility verification notice, unless the context requires otherwise;

"state pension" means—

(a) a state pension under Part 1 of the Pensions Act 2014;

(b) a retirement pension, including a Graduated Retirement Benefit, under Part 2 or 3 of the Social Security Contributions and Benefits Act 1992;

(c) a shared additional pension under Part 2 of that Act;

"transaction information", in relation to an account, means information which—

(a) may enable the identification of the subject matter or the amount of a transaction completed through the account, or

(b) may enable the identification of a party to such a transaction who is not a holder of the account,

but does not include information which relates to the payment of a relevant benefit into the account;

"the Tribunal" means the First-tier Tribunal.

Relationship with other powers

23 Nothing in this Schedule limits the powers conferred on the Secretary of State by sections 109B and 109BZA (powers to require information) (but this is subject to paragraph 5)."

PART 2

PROCEEDS OF CRIME ACT 2002

2 (1) The Proceeds of Crime Act 2002 is amended as follows.

(2) In section 330 (failure to disclose: regulated sector), after subsection (7D) insert—

"(7E) Nor does a person commit an offence under this section if—

(a) the information or other matter mentioned in subsection (3) consists of or includes information that was obtained only in consequence of complying with an eligibility verification notice given to the person under paragraph 1(1) of Schedule 3B to the Social Security Administration Act 1992, and

(b) but for the information so obtained the person would not know or suspect, or have reasonable grounds for knowing or suspecting, that another person is engaged in money laundering."

(3) In section 331 (failure to disclose: nominated officers in the regulated sector), after subsection (6B) insert—

"(6C) Nor does a person commit an offence under this section if—

(a) the information or other matter mentioned in subsection (3) consists of or includes information that was obtained only in consequence of complying with an eligibility verification notice given to the person under paragraph 1(1) of Schedule 3B to the Social Security Administration Act 1992, and

(b) but for the information so obtained the person would not know or suspect, or have reasonable grounds for knowing or suspecting, that another person is engaged in money laundering."

SCHEDULE 4

Sections 80 and 81

SOCIAL SECURITY FRAUD: SEARCH AND SEIZURE POWERS ETC

1 The Schedule to be inserted in the Social Security Administration Act 1992 after Schedule 3ZB (inserted by section 96(3) of this Act) is—

"SCHEDULE 3ZC

Section 109D

ENTRY, SEARCH AND SEIZURE ETC: ENGLAND AND WALES

Introduction

1 This Schedule contains modifications of the provisions of the Police and Criminal Evidence Act 1984 mentioned in section

109D(4) for the purposes of their application to authorised investigators in accordance with section 109D(3).

General modifications

2 (1) Each reference to a constable (however expressed) is to be read as including a reference to an authorised investigator.

(2) Each reference to an offence is to be read as a reference to a DWP offence, except for—

(a) the reference to any other offence in section 19(3)(a), and

(b) the reference to an offence in section 21(8)(b).

(3) Each reference to a criminal investigation is to be read as a reference to a criminal investigation in connection with a DWP offence.

Specific modifications

3 (1) Section 15 (search warrants: safeguards) is to be read as if—

(a) in subsection (2)(c), for "articles or persons" there were substituted "material";

(b) in subsection (6)(b), for "articles or persons" there were substituted "material".

(2) Section 16 (execution of warrants) is to be read as if—

(a) in subsections (3A) and (3B), for the words "a police officer of at least the rank of inspector", in each case, there were substituted "an authorised investigator of at least the grade of senior executive officer";

(b) in subsection (5)(a), the words ", if not in uniform," were omitted;

(c) in subsection (9)(a), for the words "articles or persons sought were" there were substituted "material sought was".

(3) Section 21 (access and copying) is to be read as if, in subsection (3)(b), the reference to the police were a reference to an authorised investigator.

(4) Section 22 (retention) is to be read as if—

(a) for subsection (1), there were substituted—

"(1) Subject to subsection (4), anything which has been—

(a) seized by an authorised investigator,

(b) taken away by an authorised investigator following a requirement made by virtue of section 19 or 20, or

(c) seized or taken away by another person under any enactment and accepted by an authorised investigator,

may be retained so long as is necessary in all the circumstances.";

(b) after subsection (2) there were inserted—

"(2A) Subsection (2B) applies where an authorised investigator—

(a) has seized something or taken something away following a requirement made by virtue of section 19 or 20 on the basis that it is evidence of an offence, and

(b) considers that the thing may be evidence that is relevant to an investigation of an offence (whether or not the offence mentioned in paragraph (a)) in relation to which another person has functions.

(2B) Where this subsection applies—

(a) an authorised investigator may transfer the thing to that person,

(b) where that person considers that the thing may be evidence that is relevant to an investigation in relation to which that person has functions, that person may accept and retain the thing, and

(c) any provision of an enactment that applies to anything seized or taken away by that person applies to the thing as if it had been seized or taken away by that person for the purposes of the investigation of the relevant offence.

(2C) In subsection (2B)(c), "enactment" includes—

(a) an enactment contained in subordinate legislation within the meaning of the Interpretation Act 1978, and

(b) an enactment contained in, or in an instrument made under, an Act of the Scottish Parliament.";

(c) for subsection (5) there were substituted—

"(5) Nothing in this section affects any power of a court to make an order under section 109G of the Social Security Administration Act 1992.";

(d) subsection (6) were omitted.

(5) Schedule 1 (special procedure) is to be read as if—

(a) references to "special procedure material" did not include special procedure material within section 14(1)(b) (journalistic material, other than excluded material);

(b) references to "excluded material" did not include excluded material within—

(i) section 11(1)(b) (human tissue etc), or

(ii) section 11(1)(c) (certain journalistic material);

(c) in paragraph 2(a)(ii), for the words "and does not also include excluded material" there were substituted ", or consists of or includes excluded material,";

(d) paragraph 3 (second set of access conditions) were omitted."

2 The Schedule to be inserted in the Social Security Administration Act 1992 after Schedule 3ZC (inserted by section 80(3) of this Schedule) is—

"SCHEDULE 3ZD Section 109E

ENTRY, SEARCH AND SEIZURE ETC: SCOTLAND

PART 1

NORMAL MATERIAL

Warrants for entry, search and seizure etc

1 (1) Where, on an application by an authorised investigator, a sheriff is satisfied that the condition in sub-paragraph (3) is met, the sheriff may grant a specific premises warrant.

(2) A specific premises warrant is a warrant to exercise the powers described in paragraph 2 in relation to premises specified in the application.

(3) The condition in this sub-paragraph is that there are reasonable grounds for believing—

(a) that a DWP offence which is an indictable offence has been committed,

(b) there is material on premises to which the application relates which is likely to be of substantial value (whether by itself or with other material) to the investigation of the offence,

(c) the material is likely to be relevant evidence,

(d) the material does not consist of or include excluded material or special procedure material, and

(e) any of the following applies—

(i) it is not practicable to communicate with a person entitled to grant entry to the premises;

(ii) it is not practicable to communicate with a person entitled to grant access to the material (if different from the person entitled to grant entry);

(iii) entry to the premises will not be granted unless a warrant is produced;

(iv) the purpose of a search may be frustrated or seriously prejudiced unless an authorised investigator arriving at the premises can secure immediate access to them.

(4) The power to issue a warrant under paragraph 1 is in addition to any other power to issue a warrant in relation to entry to or search of premises.

Powers exercisable under a warrant

2 (1) The powers granted by a warrant under paragraph 1 are powers to—

(a) enter the premises;

(b) search the premises;

(c) examine any document, equipment or other item or material on the premises (including by operating a computer or other device in order to gain access to information);

(d) seize any document, equipment or other item or material on the premises and remove it;

(e) take a copy of or otherwise record (in any form) a document, equipment or other item or material on the premises, or any information contained in or accessible by means of any such document, equipment, item or material;

(f) require any person on the premises to provide information or assistance for the purpose of—

(i) enabling or facilitating the exercise of the powers described in paragraphs (a) to (e), or

(ii) allowing anything inspected, seized or recorded in the exercise of those powers to be better understood.

(2) Subject to paragraph (3), a person may exercise those powers only so far as the person considers it necessary to do so for the purposes of investigating a DWP offence.

(3) The power to seize and remove a document, equipment or other item or material on the premises may be exercised if the person has reasonable grounds for believing—

(a) that it is evidence in relation to any offence, and

(b) it is necessary to seize it in order to prevent the evidence being concealed, lost, altered or destroyed.

(4) A person may not exercise the power to seize and remove an item or material unless the person considers that exercising the power to take a copy or record it would be insufficient.

(5) A person may not exercise the power to seize and remove excluded material or special procedure material.

(6) The powers granted by a warrant under paragraph 1 may be subject to conditions or limitations.

Execution of warrants

3 (1) A warrant under paragraph 1 may be executed by any authorised investigator.

(2) An authorised investigator may be accompanied by other persons, and bring equipment and materials on to premises, for the purposes of assisting in the exercise of the powers granted by the warrant.

(3) A person so accompanying an authorised investigator may also exercise the powers granted by the warrant if the person is in the company, and under the supervision, of an authorised investigator.

(4) The powers granted by a warrant under paragraph 1 may be exercised—

(a) only at a reasonable hour, unless it appears to the investigator executing the warrant that the purpose of a search may be frustrated on an entry at a reasonable hour, and

(b) only within the period of 1 month beginning with the day on which it is issued.

(5) When premises are entered in reliance on a warrant under paragraph 1, the authorised investigator executing the warrant—

(a) must give a copy of the warrant to any person appearing to be in charge of the premises at the earliest opportunity (if possible before entering the premises);

(b) if no such copy is given during the period of entry on the premises, must leave a copy of the warrant in a prominent place on the premises;

(c) must produce, on request by any person appearing to be in charge of the premises, proof of the person's identity and status as an authorised investigator;

(d) if no person appearing to be in charge of the premises is present when the person executing the warrant is on the premises, must leave the premises as effectively secured against trespassers as that person found them.

(6) An authorised investigator exercising powers granted by a warrant under paragraph 1 may use reasonable force in respect of property if necessary in the exercise of those powers.

(7) Sub-paragraphs (8) to (10) apply where, by virtue of paragraph 3(3), a person other than an authorised investigator may exercise powers granted by a warrant under paragraph 1.

(8) Where the person is a constable, the constable may use reasonable force in respect of property or persons if necessary in the exercise of the powers.

(9) Where the person is not a constable, the person may use reasonable force in respect of property if necessary in the exercise of the powers.

(10) But a person may use reasonable force under sub-paragraph (9) only in the company, and under the supervision, of an authorised investigator.

(11) Sub-paragraphs (6) to (9) do not permit the use of force to enforce the requirement described in paragraph 2(1)(f).

Seizure under paragraph 2(1)(d)

4 (1) This section applies where a person exercises the power of seizure and removal described in paragraph 2(1)(d).

(2) The person must, on request by any person appearing to be in charge of the premises—

(a) give a receipt for the thing seized, and

(b) in the case of a document readily capable of being copied, give a copy of it.

(3) The thing seized may be retained in the possession of the Secretary of State for so long as the Secretary of State considers necessary for the purposes of investigating any DWP offence (irrespective of the purpose for which it was initially obtained).

(4) For any such purpose, a person acting on behalf of the Secretary of State may—

(a) examine the thing seized (using reasonable force if necessary), and

(b) record (in whatever form) any information obtained from the thing seized.

(5) Sub-paragraph (6) applies where—

(a) something has been seized and removed, and

(b) a person who had custody or control of the thing before it was seized, or a person acting on behalf of such a person, requests access to it.

(6) An authorised investigator must give the person access to the thing under the investigator's supervision, unless the investigator has reasonable grounds for believing that doing so would prejudice—

(a) an investigation of an offence, or

(b) criminal proceedings relating to an offence.

(7) Sub-paragraph (8) applies where—

(a) the power in paragraph 2(1)(d) has been exercised to seize and remove something on the basis that it is evidence of an offence, and

(b) an authorised investigator considers that the thing may be evidence that is relevant to an investigation of an offence (whether or not the offence mentioned in paragraph (a)) in relation to which another person has functions.

(8) Where this sub-paragraph applies—

(a) an authorised investigator may transfer the thing to that person,

(b) where that person considers that the thing may be evidence that is relevant to an investigation in relation to which that person has functions, that person may accept and retain the thing, and

(c) any provision of an enactment that applies to anything seized or taken away by that person applies to the thing as if it had been seized or taken away by that person for the purposes of the investigation of the relevant offence.

(9) In sub-paragraph (8)(c), "enactment" includes—

(a) an enactment contained in subordinate legislation within the meaning of the Interpretation Act 1978, and

(b) an enactment contained in, or in an instrument made under, an Act of the Scottish Parliament.

Return of warrant etc

5 (1) If a warrant under paragraph 1 is executed, the person who executed it must return it to the court from which it was issued as soon as reasonably practicable with an endorsement summarising the exercise of the powers in paragraph 2.

(2) If a warrant under paragraph 1 is not executed, the Secretary of State must return it to the court from which it was issued as soon as reasonably practicable with an endorsement stating that it was not executed.

(3) A warrant must be retained for 12 months by the court to which it is returned.

Authorised investigators

6 (1) In this Schedule, an authorised investigator is an individual who is authorised by the Secretary of State to exercise the powers conferred by this Schedule.

(2) An individual may be authorised as an authorised investigator only if the individual is an official of a government department and—

(a) is a higher executive officer, or

(b) has a grade that is equivalent to, or higher than, that of a higher executive officer.

PART 2

SPECIAL PROCEDURE

Production orders

7 (1) Where, on an application by an authorised investigator, a sheriff is satisfied that the condition in sub-paragraph (4) is met, the sheriff may grant a production order.

(2) A production order is an order requiring the person who appears to the sheriff to be in possession of material specified in the application to—

(a) give the material to an authorised investigator, or

(b) give an authorised investigator access to the material.

(3) A person must comply with a production order within—

(a) the period of 10 working days beginning with the day on which the order is made, or

(b) such longer period as may be specified in the order.

(4) The condition in this sub-paragraph is that there are reasonable grounds for believing that—

(a) a DWP offence which is an indictable offence has been committed,

(b) material which is specified in the application is likely to be of substantial value (whether by itself or with other material) to the investigation of the offence,

(c) the material consists of or includes—

(i) personal records within paragraph 11(1)(a), or

(ii) confidential professional material,

(d) the material is likely to be relevant evidence,

(e) other methods of obtaining the material—

(i) have been tried without success, or

(ii) have not been tried because it appeared that they were bound to fail, and

(f) it is in the public interest that the material should be given, or that access to it should be given, having regard to—

(i) the benefit likely to accrue to the investigation if the material is obtained, and

(ii) the circumstances under which the person in possession of the material holds it.

(5) Where the material consists of information stored in an electronic form—

(a) a production order under sub-paragraph (2)(a), requires the material to be given in a form in which—

(i) it can be taken away, and

(ii) in which it is visible and legible or from which it can readily be produced in a visible and legible form, and

(b) a production order under sub-paragraph (2)(b), requires an authorised investigator to be given access to the material in a form in which it is visible and legible.

(6) Paragraph 4 applies in relation to material given to an authorised investigator under a production order as it applies to material seized and removed under the power described in paragraph 2(1)(d).

Warrants

8 (1) On an application by an authorised investigator, a sheriff may grant a specific premises warrant within the meaning of paragraph 1(2) where the sheriff is satisfied that—

(a) a production order could be issued in relation to material (see paragraph 7(4)), and

(b) sub-paragraphs (2) and (3) of this paragraph apply.

(2) This sub-paragraph applies where there are reasonable grounds for believing that the material is on the premises specified or described in the application.

(3) This sub-paragraph applies where any of the following apply—

(a) it is not practicable to communicate with a person entitled to grant entry to the premises;

(b) it is not practicable to communicate with a person entitled to grant access to the material (if different from the person entitled to grant entry);

(c) a production order relating to the material has not been complied with;

(d) entry to the premises will not be granted unless a warrant is produced;

(e) the purpose of a search may be frustrated or seriously prejudiced unless an authorised investigator arriving at the premises can secure immediate access to them;

(f) the material contains information disclosure of which, in the absence of a warrant, would be a breach of a restriction on disclosure, or an obligation of secrecy, contained in any enactment whenever passed.

(4) The provisions of Part 1 of this Schedule that apply in relation to a specific premises warrant apply to a specific premises warrant under this paragraph as if, at the end of paragraph 2(5), there were inserted "other than confidential professional material or personal records within paragraph 11(1)(a)".

PART 3

GENERAL

Procedural rules

9 (1) Provision may be made in rules of court about proceedings under this Schedule.

(2) Rules of court are, without prejudice to section 305 of the Criminal Procedure (Scotland) Act 1995, to be made by Act of Adjournal.

Material subject to legal privilege

10 Nothing in this Schedule confers power to—

(a) require any person to provide information, or

(b) seize, remove, take a copy of or otherwise record anything,

in respect of which a claim to confidentiality of communications could be maintained in legal proceedings.

Meaning of "excluded material"

11 (1) In this Schedule, "excluded material" means—

(a) personal records which a person has acquired or created in the course of any trade, business, profession or other occupation or for the purposes of any paid or unpaid office and which the person holds in confidence;

(b) human tissue or tissue fluid which has been taken for the purposes of diagnosis or medical treatment and which a person holds in confidence;

(c) journalistic material which a person holds in confidence and which consists—

(i) of documents, or

(ii) of records other than documents.

(2) A person holds material other than journalistic material in confidence for the purposes of this paragraph if the person holds it subject—

(a) to an express or implied undertaking to hold it in confidence, or

(b) to a restriction on disclosure or an obligation of secrecy contained in any enactment, whenever passed.

(3) A person holds journalistic material in confidence for the purposes of this paragraph if—

(a) the person holds it subject to such an undertaking, restriction or obligation, and

(b) it has been continuously held (by one or more persons) subject to such an undertaking, restriction or obligation since it was first acquired or created for the purposes of journalism.

Meaning of "personal records"

12 In this Schedule, "personal records" means documentary and other records concerning an individual (whether living or dead) who can be identified from them and relating—

(a) to the person's physical or mental health,

(b) to spiritual counselling or assistance given or to be given to the person, or

(c) to counselling or assistance given or to be given to the person, for the purposes of the person's personal welfare, by any voluntary organisation or by any individual who—

(i) by reason of the person's office or occupation has responsibilities for the person's personal welfare, or

(ii) by reason of an order of a court has responsibilities for the person's supervision.

Meaning of "journalistic material"

13 (1) In this Schedule, "journalistic material" means material acquired or created for the purposes of journalism.

(2) But material is only journalistic material for the purposes of this Schedule if it is in the possession of a person who acquired or created it for the purposes of journalism.

(3) A person who receives material from someone who intends that the recipient is to use it for the purposes of journalism is to be taken to have acquired it for those purposes.

Meaning of "special procedure material"

14 (1) In this Schedule, "special procedure material" means—

(a) material to which sub-paragraph (2) applies, and
(b) journalistic material, other than excluded material.

(2) Subject to the following provisions of this paragraph, this sub-paragraph applies to material, other than excluded material, in the possession of a person who—
(a) acquired or created it in the course of any trade, business, profession or other occupation or for the purpose of any paid or unpaid office, and
(b) holds it subject—
(i) to an express or implied undertaking to hold it in confidence, or
(ii) to a restriction or obligation such as is mentioned in paragraph 11(2)(b).

(3) Where material is acquired—
(a) by an employee from the employee's employer and in the course of the employee's employment, or
(b) by a company from an associated company,
it is only special procedure material if it was special procedure material immediately before the acquisition.

(4) Where material is created by an employee in the course of the employee's employment, it is only special procedure material if it would have been special procedure material had the employer created it.

(5) Where material is created by a company on behalf of an associated company, it is only special procedure material if it would have been special procedure material had the associated company created it.

(6) A company is to be treated as another's associated company for the purposes of this paragraph if it would be so treated under section 449 of the Corporation Tax Act 2010.

Meaning of "confidential professional material"

15 In this Schedule, "confidential professional material" means material to which paragraph 14(2) applies.

Other interpretation

16 For the purposes of this Schedule—
"authorised investigators" has the meaning given in paragraph 6;
"premises" includes—
(a) a vehicle or vessel,
(b) a tent or moveable structure, and
(c) any other place;

"relevant evidence", in relation to an offence, means anything that would be admissible in evidence at a trial for the offence;

"working day" means a day other than—

(a) a Saturday or a Sunday, or

(b) a day which is a bank holiday in Scotland under the Banking and Financial Dealings Act 1971."

SCHEDULE 5

Section 95

RECOVERY FROM BANK ACCOUNTS ETC

The Schedule to be inserted in the Social Security Administration Act 1992 after Schedule 3 is—

"SCHEDULE 3ZA

Section 80C

RECOVERY OF AMOUNTS FROM BANK ACCOUNTS ETC

PART 1

DEDUCTIONS FROM ACCOUNTS

Direct deduction orders

1 (1) Where an amount is recoverable from a liable person who holds an account with a bank, the Secretary of State may make an order (a "direct deduction order") in respect of that account.

(2) A direct deduction order must be given to the bank with which the account is held.

(3) A direct deduction order may be—

(a) a regular direct deduction order;

(b) a lump sum direct deduction order.

(4) A regular direct deduction order is an order requiring the bank—

(a) to make regular deductions from the liable person's account, and

(b) to pay the amounts deducted to the Secretary of State.

(5) A lump sum direct deduction order is an order requiring the bank—

(a) to deduct from the liable person's account an amount specified in the order, and

(b) to pay that amount to the Secretary of State.

(6) The Secretary of State may give a regular direct deduction order and a lump sum direct deduction order in respect of the same account.

(7) The Secretary of State must give a copy of a direct deduction order to—

(a) the liable person, and

(b) in the case of a joint account, each of the other account holders.

(8) Paragraphs 3 to 5 set out steps that the Secretary of State must take before making a direct deduction order.

Accounts which may be subject to a direct deduction order

2 (1) The Secretary of State may make a direct deduction order in respect of any account which—

(a) is held by a liable person, and

(b) contains an amount in which the Secretary of State considers the liable person has a beneficial interest.

(2) The Secretary of State may make a direct deduction order in respect of a joint account only if the liable person does not hold a sole account in respect of which a direct deduction order may be made which would be likely to result in the recovery of the recoverable amount within a reasonable period of time.

(3) But sub-paragraph (2) does not apply if all the holders of a joint account are liable persons in relation to the same recoverable amount.

Requirement for banks to provide information

3 (1) Before the Secretary of State makes a direct deduction order in respect of a liable person's account, the Secretary of State must obtain and consider bank statements for the account covering a period of at least 3 months.

(2) To obtain the statements, the Secretary of State must give the bank with which the Secretary of State believes the liable person holds the account a notice (an "account information notice") requiring the bank to give the Secretary of State statements for the account covering—

(a) the 3 months immediately before the notice is given, or

(b) such longer period, ending immediately before the notice is given, as may be specified in the notice.

(3) An account information notice must—

(a) contain the name of the liable person, and

(b) identify the account (for example, by number and sort code).

(4) The Secretary of State may give an account information notice relating to an account only for the purpose of determining whether to make a direct deduction order in respect of the account.

(5) At any time, for the purposes of determining whether to make a direct deduction order in relation to a liable person, the Secretary of State may give a notice (a "general information notice") to a bank requiring the bank to—

(a) identify every account that the liable person holds with the bank,

(b) for each identified account, give the Secretary of State the following information—

(i) a description of the type of account,

(ii) identifiers for the account,

(iii) if the account is a sole account, the balance of the account at the date that it is identified, and

(iv) if the account is a joint account, the name of each other account holder, and

(c) give the Secretary of State—

(i) the correspondence address that the bank holds for the liable person, and

(ii) in the case of a joint account, the correspondence address that the bank holds for each other account holder.

(6) The Secretary of State may give—

(a) more than one account information notice, or general information notice, in relation to the same recoverable amount;

(b) more than one account information notice in respect of the same account.

(7) A notice under this paragraph must—

(a) set out how and when the bank must comply with the notice, and

(b) explain that the bank may be liable to a penalty under paragraph 20 if it fails to do so without reasonable excuse.

(8) The bank must comply with a notice given under this paragraph.

(9) Subject to sub-paragraph (10), a bank that is given an account information notice, or a general information notice, must not notify any of the following people that the notice has been given—

(a) the liable person;

(b) any other holder of the account in respect of which an account information notice is given;

(c) any other holder of an account identified in accordance with a general information notice.

(10) The prohibition in sub-paragraph (9) ceases to apply—

(a) at the end of the period of 3 months beginning with the day on which the account information notice or general information notice is given to the bank, or

(b) if earlier, when the bank is given a notice under paragraph 5(1).

(11) Information given to the Secretary of State in response to a notice under this paragraph may be used by the Secretary of State for purposes connected with the Secretary of State's functions under this Part of this Act, but not for any other purpose.

Joint accounts

4 (1) Before making a direct deduction order in respect of a joint account, the Secretary of State must make an assessment of the liable person's beneficial interest in the amounts which are or may be in the account from time to time.

(2) The Secretary of State must presume that the liable person's beneficial interest entitles them to the following share in any amounts which are or may be in the account from time to time—

$$\frac{1}{N}$$

where "N" is the number of account holders.

(3) But the presumption does not apply where the Secretary of State has reason to believe that the liable person's beneficial interest is different from the presumed share.

(4) In making an assessment under sub-paragraph (1), the Secretary of State must have regard to—

(a) the bank statements obtained for the account under paragraph 3, and

(b) any responses to a notice under paragraph 5.

Further requirements before making a direct deduction order

5 (1) Before making a direct deduction order, the Secretary of State must give the bank where the account in question is held, the liable person, and, in the case of a joint account, each of the other account holders, a notice—

(a) identifying the account that would be subject to the proposed order,

(b) stating the amount that would be recoverable under the proposed order,

(c) setting out the terms of the proposed order,

(d) if the account is a joint account, setting out the Secretary of State's duty to make an assessment as to the liable person's beneficial interest and the presumption that applies (see paragraph 4), and

(e) identifying, for the benefit of the liable person, the recoverable amount to which the order relates.

(2) The notice must invite the liable person and, in the case of a joint account, each other account holder—

(a) to make representations about the terms of the proposed order, and

(b) in the case of a joint account, to make representations about the liable person's beneficial interest in amounts in the account.

(3) The notice must set out the means by which, and the period within which, representations may be made.

(4) The period must be a period of at least 1 month beginning with the day after the day on which the notice is given.

(5) The Secretary of State must—

(a) consider representations made in accordance with the notice, and

(b) in light of any representations —

(i) in the case of a joint account, make the assessment required under paragraph 4(1), and

(ii) in any case, decide whether, and in what terms, to make a direct deduction order in respect of the account.

(6) A notice under sub-paragraph (1) may be given to the bank before it is given to the other persons to whom it is required to be given under that sub-paragraph (and for the effect of giving the notice to the bank see paragraph 11 (restrictions on accounts)).

(7) Where a notice is given to the bank in reliance on sub-paragraph (6), the notice must be given to the other persons as soon as reasonably practicable after being given to the bank.

(8) If, following the giving of a notice under this paragraph, the Secretary of State decides not to make a direct deduction order, the Secretary of State must, as soon as reasonably practicable, notify every person given a notice under sub-paragraph (1) of the decision.

Amounts of deductions

6 (1) The Secretary of State may make a direct deduction order only if satisfied on the basis of information received by virtue of paragraphs 3 and 5 that the terms of the order—

(a) will not cause the liable person, any other account holder, or any person within sub-paragraph (2) to suffer hardship in meeting essential living expenses, and

(b) are otherwise fair in all the circumstances.

(2) A person is within this sub-paragraph if—

(a) they live with the liable person, or any other account holder, for some or all of the time, or

(b) they are financially dependent on the liable person or any other account holder.

(3) The total amount of deductions to be made under a regular direct deduction order in relation to any period of 1 month must not exceed 40% of the relevant amount.

(4) For the purposes of sub-paragraph (3), the "relevant amount" is the amount that the Secretary of State reasonably expects to be credited to the account in question in (or in respect of) a typical month during the period for which the order will have effect, having regard to all statements given to the Secretary of State in relation to the account (see paragraphs 3(2) and 15(1)).

(5) The Secretary of State must ensure that the amount to be deducted and paid to the Secretary of State under a direct deduction order does not exceed the recoverable amount to which the order relates.

Content and effect of direct deduction orders

7 (1) A regular direct deduction order must specify—

(a) the amounts to be deducted (see paragraph 6),

(b) when those amounts are to be deducted and paid to the Secretary of State, and

(c) the penalties that may be imposed for a failure to comply (see paragraph 20).

(2) A regular direct deduction order may specify different amounts to be deducted at different times.

(3) A lump sum direct deduction order must specify—

(a) the amount to be deducted,

(b) when the amount is to be deducted and paid to the Secretary of State, and

(c) the penalties that may be imposed for a failure to comply (see paragraph 20).

(4) A direct deduction order may not require an amount to be deducted from a person's account before the end of the period of 1 month beginning with the day after the day on which the Secretary of State complies with paragraph 1(7).

(5) A bank must comply with a direct deduction order.

Bank's administrative costs

8 (1) A direct deduction order may include provision for the bank to deduct from the liable person's account an amount specified in, or calculated in accordance with, the order, for the purposes of meeting costs reasonably incurred by the bank in complying with the order.

(2) A bank may deduct the costs to which they are entitled under a direct deduction order immediately prior to making the deduction which is to be paid to the Secretary of State under the order.

(3) In complying with paragraph 6(1) and (3) in relation to a direct deduction order the Secretary of State must take account of any deductions to be made under the order by virtue of sub-paragraph (1).

Insufficient funds

9 (1) Where the amount in an account is lower than the amount to be deducted in accordance with a lump sum direct deduction order at the time that the bank is (apart from this sub-paragraph) required to make the deduction—

(a) no deduction is to be made, and

(b) the bank must notify the Secretary of State as soon as possible.

(2) Where the amount in an account is lower than the amount to be deducted in accordance with a regular direct deduction order at the time that the bank is (apart from this sub-paragraph) required to make the deduction—

(a) the order is to be read as requiring the deduction and payment to the Secretary of State to take place on the same day the following week, and

(b) if, on that day, the amount in the account is lower than the amount to be deducted in accordance with the order—

(i) no deduction is to be made, and

(ii) the bank must notify the Secretary of State as soon as possible.

(3) References in this paragraph to the amount to be deducted in accordance with a direct deduction order include any amounts to be deducted in respect of a bank's costs by virtue of provision under paragraph 8(1).

Non-working days

10 (1) If (apart from this paragraph) a bank would be required to make a deduction and payment under a direct deduction order on a day that is not a working day, the obligation to make the

deduction and payment applies in relation to the next working day after that day.

(2) In this paragraph, "working day" means any day other than—

(a) Saturday or Sunday, or

(b) a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the United Kingdom.

Restrictions on accounts

11 (1) Where a notice under paragraph 5 (a "pre-deduction notice") relating to a proposed lump sum direct deduction order, or a lump sum direct deduction order under paragraph 1, is given to a bank in relation to a liable person's account, the bank must—

(a) secure that no transaction takes place (except for any deduction under the order) which would result in the amount in the account falling below the specified amount, or, if the amount in the account is already below that amount, falling any further, or

(b) take the action set out in sub-paragraph (2).

(2) The action is to—

(a) transfer the specified amount, or the amount in the account if that is less than the specified amount, from the account into a different account (a "hold account") created by the bank for the sole purpose of holding that transferred amount, and

(b) secure that no transaction takes place (except for any deduction under the order) which would result in the amount in the hold account falling below the amount transferred.

(3) Where a bank takes the action set out in sub-paragraph (2) in relation to a lump sum direct deduction order, the order is to be read as if it required the deduction to be made from the hold account.

(4) A bank must ensure that taking the action set out in sub-paragraph (2) does not cause any disadvantage to the liable person, and in the case of a joint account, any other account holder, that the liable person, and any other account holder, would not have experienced if the bank had instead acted in accordance with sub-paragraph (1)(a).

(5) The requirements in sub-paragraph (1) cease to apply when—

(a) in relation to a pre-deduction notice, a notice is given to the bank under paragraph 5(8) (notice of decision not to make a direct deduction order) or a direct deduction order is given to the bank under paragraph 1;

(b) in relation to a direct deduction order—

(i) all the deductions under the order have been made, or

(ii) the order is revoked.

(6) In this paragraph, "specified" means specified in a pre-deduction notice or direct deduction order.

Applications to vary

12 (1) Any holder of an account to which a direct deduction order applies may apply to the Secretary of State to vary the order.

(2) The Secretary of State must give any other holders of the account an opportunity to make representations in relation to the application.

(3) The Secretary of State must notify the applicant and any other account holders of the Secretary of State's decision on the application.

Variation

13 (1) The Secretary of State may vary a direct deduction order (whether after an application by an account holder or otherwise).

(2) The provisions in this paragraph apply in relation to any variation of a direct deduction order, including one that results from a review under paragraph 18.

(3) Where the Secretary of State proposes to vary a direct deduction order other than under sub-paragraph (7), the Secretary of State must give—

(a) the liable person, and

(b) in the case of a joint account, each of the other account holders,

an opportunity to make representations about the proposed variation.

(4) The Secretary of State may comply with sub-paragraph (3) at the same time as complying with paragraph 12(2).

(5) A variation to a direct deduction order takes effect when the Secretary of State gives the varied order to the bank or, if later, in accordance with the terms of the order as varied.

(6) The Secretary of State must give a copy of the varied order to the liable person and, in the case of a joint account holder, each other account holder.

(7) The Secretary of State may vary a direct deduction order so that the order applies to another account held by the liable person (including an account administered by a different bank) only if—

(a) the variation is requested by the liable person, and

(b) if the other account is a joint account, each of the other account holders consents.

(8) Where a direct deduction order is varied under sub-paragraph (7)—

(a) if the order is varied so that it applies to an account administered by another bank—

(i) the reference in sub-paragraph (5) to "the bank" is to the bank which administers that account, and

(ii) the Secretary of State must notify the bank given the original order of the effect of the variation, and

(b) if the order is varied so that it applies to a joint account—

(i) the requirement in sub-paragraph (6) is to give a copy of the order to each other holder of that joint account, and

(ii) if the original order applied to a joint account, the Secretary of State must notify each other holder of that joint account of the effect of the variation.

(9) The steps set out in paragraphs 3 to 5 do not apply to a decision to vary a direct deduction order.

Revocation of direct deduction order

14 (1) The Secretary of State may revoke a direct deduction order.

(2) The Secretary of State must revoke a direct deduction order as soon as reasonably practicable after becoming aware that—

(a) the recoverable amount has been recovered, or

(b) the liable person to whom the order relates has died.

(3) Where the Secretary of State revokes a direct deduction order, the Secretary of State must give a notice of the revocation to—

(a) the bank to which the order was given,

(b) the liable person (apart from in a case within sub-paragraph (2)(b)), and

(c) in the case of a joint account, each of the other account holders.

Further information notices

15 (1) For the purposes of determining whether to revoke or vary a direct deduction order, the Secretary of State may give a bank a notice (a "further information notice") requiring the bank—

(a) to give the Secretary of State statements for an account held by the liable person covering—

(i) the 3 months immediately before the notice was given, or

(ii) such longer period, ending immediately before the notice was given, as may be specified in the notice;

(b) to take the steps set out in paragraphs (a) to (c) of paragraph 3(5).

(2) Sub-paragraphs (6) to (8) and (11) of paragraph 3 apply in relation to a further information notice as they apply in relation to a notice under that paragraph.

(3) Before giving a further information notice to a bank requiring statements to be given in respect of a joint account, the Secretary of State must notify each account holder other than the liable person—

(a) that the notice will be given, and

(b) of the effect of the notice.

(4) A further information notice may be given to the bank before, at the same time as or after the Secretary of State complies with paragraph 13(3).

Suspension of direct deduction orders

16 (1) The Secretary of State may suspend and re-start the requirement to make deductions and payments under a regular direct deduction order at any time by notifying the bank to which the order was given.

(2) The Secretary of State must notify the liable person and, in the case of a joint account, each other account holder, if the requirement is suspended or re-started under this paragraph.

(3) Where the requirement is suspended for a continuous period of 2 years the regular direct deduction order in question is to be treated as having been revoked at the end of that period.

(4) Where a regular direct deduction order is treated as having been revoked by virtue of sub-paragraph (3), the Secretary of State must give notice to that effect to—

(a) the bank to which the order was given,

(b) the liable person, and

(c) in the case of a joint account, each of the other account holders.

(5) Sub-paragraph (3) does not prevent the Secretary of State making a further regular direct deduction order in respect of the same liable person and account.

Cessation on death of liable person

17 A bank ceases to be subject to a direct deduction order on becoming aware of the liable person's death.

Reviews

18 (1) This paragraph applies where the Secretary of State—
(a) makes a direct deduction order,
(b) varies a direct deduction order, or
(c) decides not to vary a direct deduction order in response to an application under paragraph 12.

(2) Any of the following persons ("relevant persons") may apply to the Secretary of State for a review of the decision to make, to vary or not to vary the order—
(a) the liable person to whom the order relates, and
(b) in the case of a joint account, any other account holder.

(3) An application under sub-paragraph (2) must be made before the end of the period of 1 month beginning with the day after the day on which the applicant was—
(a) given a copy of the order or the order as varied, or
(b) notified of the decision not to vary the order.

(4) An application for a review under this paragraph may not be made on, or include, any ground relating to the existence or amount of a recoverable amount (unless the amount is said to be incorrectly stated in the order).

(5) On a review, the Secretary of State may—
(a) uphold the decision,
(b) vary the order, or
(c) revoke the order.

(6) After a review has been carried out, the Secretary of State must notify the applicant and other relevant persons of the outcome of the review.

(7) See paragraph 13 for provisions about varying a direct deduction order.

Appeals

19 (1) A relevant person may appeal to the First-tier Tribunal against—
(a) the making of a direct deduction order,
(b) the variation of a direct deduction order, or
(c) a refusal to vary a direct deduction order after a request by a relevant person.

(2) A relevant person may not appeal under sub-paragraph (1) in relation to a matter within paragraph (a), (b) or (c) of that sub-paragraph unless they—
(a) made representations in accordance with paragraph 5, 12 or 13 (or, in relation to a variation of a direct deduction order, requested the variation), or

(b) sought a review under paragraph 18,

in relation to the matter.

(3) Sub-paragraph (2) does not apply where a direct deduction order is varied on a review under paragraph 18.

(4) An appeal under sub-paragraph (1) may not be brought after the end of—

(a) the period of 1 month beginning with the day after the day on which the appellant was—

(i) given a copy of the direct deduction order, or the varied direct deduction order, in a case within sub-paragraph (1)(a) or (b), or

(ii) notified under paragraph 12(3) or, where a review was sought, paragraph 18(6), in a case within sub-paragraph (1)(c), or

(b) such longer period (if any) as the Tribunal considers reasonable in all the circumstances.

(5) An appeal under sub-paragraph (1) may not be made on, or include, any ground relating to the existence or amount of a recoverable amount (unless the amount is said to be incorrectly stated in the order).

(6) Where a relevant person appeals under this paragraph in relation to a direct deduction order, the First-tier Tribunal may suspend the requirement on the bank to which the order has been given to give effect to the order for some or all of the time until the appeal (including any onward appeal) is withdrawn, abandoned or finally determined.

(7) On an appeal under sub-paragraph (1), the First-tier Tribunal may—

(a) amend the direct deduction order;

(b) revoke the direct deduction order;

(c) dismiss the appeal.

(8) In this paragraph, "relevant person" has the meaning that it has in paragraph 18.

PART 2

PENALTIES

Penalties for failure to comply

20 (1) If the Secretary of State has reasonable grounds to believe that a bank—

(a) has failed to comply with a requirement imposed by or under this Schedule, and

(b) has no reasonable excuse for the failure,

the Secretary of State may impose on the bank a penalty of £500.

(2) The Secretary of State may not impose a penalty before giving the bank an opportunity to make representations about their compliance.

(3) The Secretary of State imposes a penalty by giving the bank a notice of the penalty (a "penalty notice").

(4) A penalty notice must state—

(a) the amount of the penalty,

(b) the period within which it must be paid, and

(c) the bank's right to appeal against the penalty.

(5) The Secretary of State may vary or revoke a penalty notice by giving a notice to that effect to the bank.

Recovery of penalties

21 (1) In England and Wales, a penalty imposed under this Part of this Schedule is recoverable—

(a) if the county court so orders, as if it were payable under an order of that court;

(b) if the High Court so orders, as if it were payable under an order of that court.

(2) In Scotland, a penalty imposed under this Part of this Schedule may be enforced in the same manner as an extract registered decree arbitral bearing a warrant for execution issued by the sheriff court of any sheriffdom in Scotland.

Appeal against a penalty notice

22 (1) A bank on which a penalty is imposed under paragraph 20 may appeal to the First-tier Tribunal against the imposition of the penalty.

(2) An appeal under sub-paragraph (1) may not be brought after the end of—

(a) the period of 1 month beginning with the date on which the penalty notice in relation to the penalty being appealed was given, or

(b) such longer period (if any) as the Tribunal considers reasonable in all the circumstances.

(3) On an appeal under sub-paragraph (1) the Tribunal may confirm or quash the decision to impose the penalty.

(4) If an appeal is brought under sub-paragraph (1), the penalty which is the subject of the appeal is not payable until the appeal (including any onward appeal) is determined or withdrawn.

PART 3

GENERAL

Deputies

23 (1) This paragraph applies where a person (a "deputy") acts on behalf of an account holder (including a liable person) in relation to their account by virtue of—

(a) a power of attorney, or

(b) an appointment by, or an order of, a court.

(2) The following provisions apply in relation to the deputy of the account holder as they apply in relation to the account holder—

(a) paragraph 1(7);

(b) paragraph 3(9);

(c) paragraph 5;

(d) paragraph 11(1);

(e) paragraph 12;

(f) paragraph 13(3), (6) and (8)(b);

(g) paragraph 14(3);

(h) paragraph 15(3);

(i) paragraph 16(2) or (4);

(j) paragraph 18;

(k) paragraph 19.

(3) Paragraph 13(7)(a) and (b) applies in relation to the deputy of the account holder instead of the account holder.

(4) Sub-paragraph (5) applies where—

(a) a bank is given—

(i) an account information notice or a general information notice under paragraph 3,

(ii) a notice under paragraph 5,

(iii) a further information notice under paragraph 15, or

(iv) a direct deduction order, and

(b) a deputy acts on behalf of an account holder of an account to which the notice or order relates.

(5) The bank must give the Secretary of State the name and correspondence address that it holds for that deputy (unless the bank has already provided that information).

Interpretation

24 (1) In this Schedule—

"bank" means a person who is authorised—

(a) to accept deposits, or

(b) to issue electronic money;

"direct deduction order" means a regular direct deduction order or a lump sum direct deduction order;

"joint account" means an account held by more than one person;

"lump sum direct deduction order" has the meaning given by paragraph 1(5);

"regular direct deduction order" has the meaning given by paragraph 1(4);

"sole account" means an account held by one person.

(2) For the purposes of paragraph (a) in the definition of "bank" in sub-paragraph (1)—

(a) the reference to accepting deposits is to carrying on the regulated activity of accepting deposits for the purposes of the Financial Services and Markets Act 2000 (see section 22 of that Act and article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)), and

(b) a person is authorised to accept deposits if they are an authorised person or an exempt person in relation to the carrying on of that activity for the purposes of the Financial Services and Markets Act 2000.

(3) For the purposes of paragraph (b) in the definition of "bank" in sub-paragraph (1), a person is authorised to issue electronic money if—

(a) the person is an electronic money institution, and

(b) the person is authorised or registered under Part 2 of the Electronic Money Regulations 2011 (S.I. 2011/99) in relation to carrying on the activity of issuing electronic money.

(4) In sub-paragraph (3), "electronic money" and "electronic money institution" have the meanings given by regulation 2(1) of those Regulations (and references to the issue of electronic money are to be construed in accordance with those Regulations).

(5) In this Schedule, references to an amount in an account are to an amount standing to the credit of the account.

(6) In this Schedule, references to a person holding an account include references to—

(a) a person holding an account jointly with one or more other persons,

(b) a person being a signatory, or one of the signatories, to an account, and

(c) an account being, in any other way, in the person's name,

and "holder" is to be read accordingly.

Regulations

25 (1) Regulations may make further provision about direct deduction orders.

(2) Regulations under this paragraph may, among other things, make provision—

(a) about how notices and orders are to be given by the Secretary of State under this Schedule;

(b) about how notices and information are to be given to the Secretary of State under this Schedule;

(c) about the calculation of amounts to be deducted, including—

(i) about establishing whether deductions would cause a person to suffer hardship in meeting essential living expenses, and

(ii) about amounts which are, or are not, to be taken into account in calculating the amounts credited to an account for the purposes of paragraph 6(3);

(d) setting a maximum percentage that is less than 40% for the purposes of paragraph 6(3) in some or all cases;

(e) amending the amount for the time being specified in paragraph 20(1) to reflect a change in the value of money;

(f) about the duties of banks in relation to direct deduction orders, including before a direct deduction order is made;

(g) about costs which a bank may recover by virtue of paragraph 8 or from the Secretary of State;

(h) about the interaction between direct deduction orders under this Schedule and similar orders under any other enactment.

(3) Regulations under this paragraph may, among other things, apply this Schedule, as it applies to banks, to other types of person who provide financial products or services (including products or services that operate by reference to cryptoassets or any similar product or service).

(4) In sub-paragraph (3), "cryptoasset" has the meaning given in section 84A of the Proceeds of Crime Act 2002.

(5) Before making relevant regulations in reliance on sub-paragraph (2)(a), (b), (f) or (g), the Secretary of State must consult—

(a) persons who appear to the Secretary of State to represent the interests of banks, and

(b) such other persons (if any) as the Secretary of State considers appropriate.

(6) Before making relevant regulations in reliance on sub-paragraph (3), the Secretary of State must consult—

(a) persons who appear to the Secretary of State to represent the interests of persons to whom provisions about direct deduction orders would be applied by the regulations, and

(b) such other persons (if any) as the Secretary of State considers appropriate.

(7) In this paragraph, "relevant regulations" means—

(a) the first regulations made in reliance on the provisions in question, and

(b) any subsequent regulations made in reliance on those provisions which—

(i) impose new duties on banks, or

(ii) make changes to existing duties or provisions which, in the opinion of the Secretary of State, are more than minor."

SCHEDULE 6

Section 96

DISQUALIFICATION FROM DRIVING

The Schedule to be inserted in the Social Security Administration Act 1992 after Schedule 3ZA (inserted by section 95(3) of this Act) is—

"SCHEDULE 3ZB

Section 80D

DISQUALIFICATION FROM DRIVING

Suspended DWP disqualification orders

1 (1) This Schedule applies where—

(a) the Secretary of State has sought to recover a recoverable amount from a liable person, and

(b) some or all of the amount has not been recovered.

(2) Where the amount still to be recovered is at least £1,000, the Secretary of State may apply to the court for a suspended DWP disqualification order (but see sub-paragraph (7)).

(3) A suspended DWP disqualification order is an order—

(a) setting out terms of repayment with which the liable person must comply, and

(b) stating that the liable person may be subject to an immediate DWP disqualification order if the person fails to comply with the terms of repayment.

(4) Subject to sub-paragraph (6), the court must make a suspended DWP disqualification order if the court is satisfied, on the balance of probabilities, that the liable person has, without reasonable excuse, not paid the recoverable amount.

(5) The terms of repayment must include terms for the payment of any costs awarded by the court to the Secretary of State relating to the order.

(6) The court may not make a suspended DWP disqualification order if the court considers that the liable person—

(a) needs a driving licence to earn a living, or

(b) has another essential need for a driving licence.

(7) The Secretary of State may apply for a second or subsequent suspended DWP disqualification order in relation to a recoverable amount even if the amount still to be recovered has fallen to less than £1,000.

(8) A suspended DWP disqualification order ceases to have effect when—

(a) revoked under paragraph 4, or

(b) the Secretary of State has recovered the whole of the recoverable amount and the costs mentioned in sub-paragraph (5) from the liable person.

(9) Before determining an application under this paragraph the court must give the Secretary of State and the liable person an opportunity to be heard.

(10) In this Schedule—

"the court" means—

(a) in England and Wales, a magistrates' court, and

(b) in Scotland, a sheriff or a summary sheriff;

"driving licence" means a licence to drive a motor vehicle granted under Part 3 of the Road Traffic Act 1988.

Immediate DWP disqualification orders

2 (1) Subject to sub-paragraph (6), if a liable person fails to comply with terms of repayment in a suspended DWP disqualification order, the Secretary of State may apply to the court for an immediate DWP disqualification order.

(2) An immediate DWP disqualification order is an order—

(a) setting out terms of repayment with which the liable person must comply, and

(b) disqualifying the liable person from holding or obtaining a driving licence for such period as the court considers likely to result in the person paying the recoverable amount to the Secretary of State.

(3) Subject to sub-paragraph (5), if the court is satisfied on the balance of probabilities that the liable person has failed, without reasonable excuse, to comply with terms of repayment in a suspended DWP disqualification order, the court must make an immediate DWP disqualification order on an application under sub-paragraph (1).

(4) The period mentioned in sub-paragraph (2)(b) may not be longer than 2 years beginning with the day on which the order is made.

(5) The court may not make an immediate DWP disqualification order if the court is of the opinion that the liable person—

(a) needs a driving licence to earn a living, or

(b) has another essential need for a driving licence.

(6) Where the terms of repayment provide for repayment in instalments, the failure to pay a single instalment is not to be regarded as a failure to comply with the terms unless the liable person fails to repay the entire recoverable amount by the time the final instalment is due.

(7) The Secretary of State may apply for more than one immediate DWP disqualification order in relation to the same suspended DWP disqualification order.

(8) Before determining an application under this paragraph the court must give the Secretary of State and the liable person an opportunity to be heard.

Terms of repayment

3 The court must be satisfied that the terms of repayment set out in a suspended or immediate DWP disqualification order are ones with which the liable person has the means to comply.

Variation and revocation of orders

4 (1) On an application by the liable person or the Secretary of State, the court may, where some of the recoverable amount to which a suspended or immediate DWP disqualification order relates has been recovered, make an order varying, or revoking, a suspended or immediate DWP disqualification order.

(2) But the court may revoke a suspended or immediate DWP disqualification order in reliance on sub-paragraph (1) only where the court considers that revoking the order will increase the likelihood of the remainder of the recoverable amount being recovered.

(3) When considering an application under sub-paragraph (1), the court must invite representations from—

(a) the Secretary of State, where the application was made by the liable person, and

(b) the liable person, where the application was made by the Secretary of State,

or give both the Secretary of State and the liable person an opportunity to be heard.

(4) The court may vary or revoke a suspended or immediate DWP disqualification order on an application from the liable person where—

(a) the order was made without the liable person being heard despite being given an opportunity to be heard under paragraph 1(9), and

(b) the court considers that the liable person had a good reason for not taking advantage of the opportunity to be heard.

(5) An application under sub-paragraph (4) must be made within the period of 21 days beginning with the day after the day on which the liable person is given notice that the order has been made.

(6) Before determining an application under this paragraph, the court must give the Secretary of State and the liable person an opportunity to be heard.

(7) Where the Secretary of State has recovered the whole of the recoverable amount and the costs mentioned in paragraph 1(5) from a liable person subject to an immediate DWP disqualification order—

(a) the Secretary of State must notify the court, and

(b) a court officer must make an order (without a hearing) revoking the immediate DWP disqualification order.

(8) In this paragraph, references to varying a suspended or immediate DWP disqualification order include varying the terms of repayment set out in the order.

(9) In sub-paragraph (7)(b), "court officer" means a member of the staff of the court authorised by the court for the purposes of that sub-paragraph.

Holding of driving licence for period of disqualification

5 (1) Where the court makes an immediate DWP disqualification order, the court—

(a) may require the liable person to whom the order relates to give to the court by, or on, a specified date any driving licence which the liable person holds, and

(b) must transfer each driving licence received in accordance with paragraph (a) to the Secretary of State.

(2) For the purposes of this paragraph, "driving licence" includes any document by virtue of which a person is authorised under Part 3 of the Road Traffic Act 1988 to drive a motor vehicle in Great Britain.

Appeals

6 (1) The liable person or the Secretary of State may appeal to the appropriate appellate court on a point of law against—

(a) a decision to, or not to, make, vary or revoke a DWP disqualification order;

(b) the terms of a DWP disqualification order.

(2) An appeal under this paragraph must be made within the period of 21 days beginning with the day after the day on which notice of the decision to which it relates is given.

(3) On an appeal under this paragraph, the appropriate appellate court may—

(a) where the appeal relates to a DWP disqualification order that has been made—

(i) dismiss the appeal,

(ii) vary the order in any way that would have been available to the court that made it, or

(iii) revoke the order, or

(b) where the appeal is against a decision not to make a DWP disqualification order—

(i) dismiss the appeal, or

(ii) make a DWP disqualification order that the court could have made.

(4) In this Schedule, the "appropriate appellate court" means—

(a) in England and Wales, the Crown Court, and

(b) in Scotland, the Sheriff Appeal Court.

DWP disqualification orders: further provision

7 (1) A court must give the Secretary of State and the liable person notice if—

(a) it makes or refuses to make a suspended or immediate DWP disqualification order,

(b) it makes or refuses to make an order under paragraph 4, or

(c) it allows an appeal against a suspended or immediate DWP disqualification order.

(2) Notice under this paragraph is to be given to the Secretary of State in such manner and to such addresses, and to contain such particulars, as the Secretary of State may require.

(3) The court may grant permission for an application or an appeal after the periods mentioned in paragraphs 4(5) and 6(2) (as the case may be) where satisfied that there is a compelling reason to do so.

(4) Regulations may make provision—

(a) for the purposes of enabling the court to assess the matters mentioned in paragraphs 1(6), 2(5) and 3, or

(b) about procedure relating to applications to, or appeals from, a magistrates' court in England and Wales under this Schedule.

(5) In this paragraph, the reference to "a court" is to "the court" and "the appropriate appellate court".

Information sharing

8 A public authority that holds information about a liable person's driving licence may, on a request by the Secretary of State, disclose that information to the Secretary of State for the purpose of facilitating the exercise of the Secretary of State's functions under this Schedule.

Northern Ireland licences

9 (1) Section 109(1) of the Road Traffic Act 1988 (Northern Ireland licences) has effect subject to any provision made by or under this Schedule.

(2) For the purposes of that section, the reference in paragraph 2(2)(b) to disqualifying a person from holding or obtaining a driving licence is to be read as a reference to disqualifying a person from driving any vehicle under Part 3 of the 1988 Act."

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