STATUTORY INSTRUMENTS

2026 No. 1069

SOCIAL SECURITY

The Social Security (Further Methods of Recovery) Regulations 2026

Made - - - -	*6th October 2026*
Laid before Parliament	*8th October 2026*
Coming into force - -	*29th October 2026*

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 71(8), (9A), (9B) and (9C), 71ZC(1), (2) and (3), 71ZD(1) and (3) and 189(1) and (4) to (6) of, and paragraph 25(1) and (2) of Schedule 3ZA and paragraph 7(4) of Schedule 3ZB to, the Social Security Administration Act 1992(**a**) ("the Act").

In accordance with section 173(1)(b) of the Act, the Social Security Advisory Committee has agreed that the proposals in respect of these Regulations should not be referred to it.

In accordance with paragraph 25(5) of Schedule 3ZA to the Act, the Secretary of State has consulted persons appearing to the Secretary of State to represent the interests of banks and other persons the Secretary of State thinks appropriate, in relation to provisions concerning the matters set out in paragraph 25(2)(a), (b), (f) and (g) of Schedule 3ZA to the Act.

PART 1
GENERAL

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Social Security (Further Methods of Recovery) Regulations 2026.

(2) These Regulations come into force on 29th October 2026.

(**a**) 1992 c. 5. Section 71(8) was amended by section 107(1) of, and Part 11 of Schedule 14 to, the Welfare Reform Act 2012 (c. 5) ("the 2012 Act"). Section 71(9A) to (9C) was inserted by section 106(1) of the 2012 Act. Sections 71ZC and 71ZD were inserted by section 105(1) of the 2012 Act. Section 189(1) was amended by paragraph 109(a) of Schedule 7 and Schedule 8 to the Social Security Act 1998 (c. 14), paragraph 57(2) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2) and Schedule 6 to the Tax Credits Act 2002 (c. 21). Section 189(4) was amended by paragraph 109(c) of Schedule 7 and Schedule 8 to the Social Security Act 1998 (c. 14) ("the 1998 Act") and article 4 of, and Part I of the Schedule to, S.I. 2013/252. Section 189(5) was amended by Schedule 8 to the 1998 Act. Section 189(5A) to (5B) were inserted by section 104(1) of the 2012 Act. Section 189(6) was amended by S.I. 2013/252. Schedule 3ZA was inserted by section 95(3) of, and Schedule 5 to, the Public Authorities (Fraud, Error and Recovery) Act 2025 (c. 28) ("the 2025 Act"). Schedule 3ZB was inserted by section 96(3) of, and Schedule 6 to, the 2025 Act.

(3) These Regulations extend to England, Wales and Scotland.

Interpretation

2. In these Regulations—

"account holder" means any person who is a liable person(**a**) or, in the case of a joint account, each of the other holders of the account (as read with paragraph 24(6) of Schedule 3ZA);

"arrestment" has the meaning given in regulation 23(1);

"electronic communication" has the meaning given in section 15(1) of the Electronic Communications Act 2000(**b**);

"notice of a proposed penalty" has the meaning given in regulation 6(2);

"pre-deduction variation notice" has the meaning given in regulation 17(2);

"representations", except in regulation 6(2) and regulation 14(5), means information and evidence given to the Secretary of State by an account holder in accordance with paragraph 5(2) (further requirements before making a direct deduction order), 12(2) (applications to vary) or 13(3) (variation) of Schedule 3ZA;

"third party debt order" means an order made in accordance with the provisions of Part 72 of the Civil Procedure Rules 1998(**c**);

"unique reference" has the meaning given in regulation 6(1).

PART 2

RECOVERY FROM BANK ACCOUNTS ETC.

Chapter 1

Notices and orders to be given by the Secretary of State

Methods by which notices or orders are to be given to a bank

3. The Secretary of State is to give any notice or order to a bank under Schedule 3ZA by—

(a) post, to an address nominated in writing by the bank for this purpose or, if none, to the registered United Kingdom office of the bank at the time of the notice or order,

(b) email, to the address nominated in writing by the bank for this purpose, or

(c) subject to regulation 8, any other method of electronic communication which the Secretary of State considers appropriate.

Methods by which notices or orders are to be given to an account holder

4.—(1) The Secretary of State is to give any notice or order to an account holder under Schedule 3ZA by—

(a) post, to the last known residential or correspondence address the Secretary of State has for the account holder,

(**a**) See section 80A(4) of the Social Security Administration Act 1992 (c. 5) for the definition of "liable person".
(**b**) 2000 c. 7. Section 15(1) was amended by the Communications Act 2003 (c. 21), Schedule 17, paragraph 158.
(**c**) S.I. 1998/3132. Part 72 was inserted by S.I. 2001/2792; amended by paragraph 1(2) of Schedule 11 to the Constitutional Reform Act 2005 (c. 4) and S.I. 2001/4015, 2009/3390, 2012/505, 2014/407, 2023/788.

(b) email to the email address which—

(i) the account holder has nominated for the purpose of being given notices or orders under Schedule 3ZA, or

(ii) where the account holder has not nominated an address under paragraph (i), an email address the Secretary of State otherwise holds for the account holder, or

(c) another method (including a form of electronic communication) which the Secretary of State considers reasonable in the particular circumstances of the account holder.

(2) In a case in which the Secretary of State knows of a deputy who may be acting on behalf of an account holder(**a**), the Secretary of State must give the deputy any notice or order which the Secretary of State would otherwise give to the account holder, regardless of whether a copy of the notice or order is also given to the account holder.

Day on which a notice or order is given by the Secretary of State

5.—(1) A notice or order under Schedule 3ZA is given to a person by the Secretary of State on a day calculated by reference to the method by which it is given, as set out in the first column of Table 1, and the corresponding provision set out in the second column of Table 1.

Table 1

Method of delivery	Day given to the person
First class post (or other service which provides for delivery on the next working day(**b**))	on the second working day after the day it was posted, or on the third working day after the day it was posted where paragraph (2) applies.
Second class post (or other service which provides for delivery within two to three working days)	on the fifth working day after the day it was posted, or on the sixth working day after the day it was posted where paragraph (2) applies.
Email	on the first working day after the day it was sent.
Any other method	on the first working day after the day it was sent, posted or transmitted.

(2) This paragraph applies where the notice or order is posted after 5.00 p.m. on a working day, or at any time on a day which is not a working day.

Information, notices and orders given to a bank

6.—(1) A direct deduction order or notice given to a bank under Schedule 3ZA must contain an identifier (a "unique reference") which can be used to identify at least one of—

(a) the liable person,

(b) the recoverable amount in question, or

(c) the direct deduction order (or a direct deduction order which the Secretary of State is considering making).

(2) Where the Secretary of State is considering whether a bank has failed to comply with a requirement imposed by or under Schedule 3ZA and whether the bank should be given a penalty under paragraph 20 of Schedule 3ZA (penalties for failure to comply), the Secretary of State must give the bank a notice ("notice of a proposed penalty")—

(**a**) See paragraph 23(1) of Schedule 3ZA to the Social Security Administration Act 1992 (c. 5) for the definition of "deputy".
(**b**) See paragraph 10(2) of Schedule 3ZA (non-working days) for the definition of "working day".

(a) stating the Secretary of State is considering whether to impose a penalty,

(b) stating the requirement that the Secretary of State considers the bank has failed to comply with and the grounds for that belief,

(c) inviting the bank to make representations to the Secretary of State regarding its compliance with that requirement, and

(d) stating the method by which, and the period within which, such representations may be made.

Information, notices and orders given to an account holder

7.—(1) Any notice or order given to an account holder by the Secretary of State under Schedule 3ZA must state the balance of the recoverable amount which has yet to be recovered from the liable person.

(2) Except where paragraph (3) applies, where an account holder makes an application to the Secretary of State to vary a direct deduction order under paragraph 12 of Schedule 3ZA (applications to vary) and there is more than one account holder, the Secretary of State must give a notice to each of the other account holders—

(a) setting out such information as the Secretary of State considers appropriate to give to the other account holder about the application to vary,

(b) inviting the other account holder to make representations to the Secretary of State (in accordance with paragraph 12(2) of Schedule 3ZA), and

(c) the method by which, and period in which, representations may be made.

(3) Where the Secretary of State proposes to vary a direct deduction order under paragraph 13 of Schedule 3ZA (variation), the Secretary of State must give to each account holder a notice which—

(a) in a case where an application was made to the Secretary of State to vary a direct deduction order under paragraph 12 of Schedule 3ZA, sets out such information about the application as the Secretary of State considers appropriate to give,

(b) states the proposed terms of the varied order,

(c) states the reason the Secretary of State proposes to vary the order, and

(d) in a case in which the Secretary of State must invite representations under paragraph 12(2) or 13(3) of Schedule 3ZA—

(i) invites the account holder to make representations, and

(ii) sets out the method and date by which such representations must be made,

unless the account holder has already been given the opportunity to make representations in accordance with paragraph 12(2) of Schedule 3ZA.

(4) Any notice or order given to an account holder regarding the matters in paragraph 18(1) of Schedule 3ZA (reviews) must set out—

(a) the means by which the account holder may apply to the Secretary of State for a review of the decision to make or vary a direct deduction order, or not to vary a direct deduction order after a request under paragraph 12(1) of Schedule 3ZA, and

(b) the period in which an application for a review may be made.

(5) Where, in relation to an account holder, one of the conditions in paragraph 19(2) of Schedule 3ZA (appeals) is met or paragraph 19(3) of Schedule 3ZA applies, any notice or order given to the account holder regarding any of the matters in paragraph 19(1)(a) to (c) of Schedule 3ZA must set out—

(a) the right of that account holder to appeal the making or varying of a direct deduction order, or the refusal to vary a direct deduction order after a request under paragraph 12(1) of Schedule 3ZA,

(b) the period in which an appeal may usually be brought (under paragraph 19(4)(a) of Schedule 3ZA), and

(c) the means by which an appeal may be brought.

(6) The Secretary of State may satisfy the requirement in paragraph (5)(c) by setting out in the notice or order where further information on bringing an appeal may be found.

(7) The Secretary of State may comply with any requirement in paragraph (1), (4) or (5) by providing the required information in writing at the same time the notice or order is given.

Duty to consult before using (or requiring the use of) certain methods of information sharing

8.—(1) This paragraph applies where the Secretary of State intends to use, or require to be used, a particular method of electronic communication (the "proposed method") to give a bank notices or orders under regulation 3(c), or be given notices or information by the bank under regulation 14(3)(c), where—

(a) the Secretary of State has not used the proposed method to give a notice or order to the bank before or the bank has not used the proposed method to give a notice or information to the Secretary of State before, and

(b) the Secretary of State considers it may be onerous to use, or require the use of, the proposed method.

(2) Where paragraph (1) applies, the Secretary of State must, before using (or requiring the bank to use) the proposed method, either—

(a) consult with the bank, or

(b) consult with persons appearing to the Secretary of State to represent the interests of banks generally.

Timing of deductions under a regular direct deduction order

9. The terms of a regular direct deduction order must not require the bank to make a deduction for the first time under that order before the tenth working day beginning with the day after the day on which the Secretary of State gives the order to the bank.

Chapter 2

REPRESENTATIONS AND APPLICATIONS FOR REVIEWS OR VARIATIONS

Representations made by an account holder to the Secretary of State

10.—(1) Representations made by an account holder must include any information, evidence and grounds which the account holder wishes to be considered by the Secretary of State when deciding whether to make or vary the direct deduction order.

(2) Subject to paragraphs (4) and (6), representations must be made in the manner and within the period specified by the Secretary of State in the notice given to the account holder inviting them to make representations.

(3) The Secretary of State must ensure the period in which representations may be made in paragraph (2)—

(a) does not end before 5.00 p.m. on the seventh working day beginning with the day after the day the notice was given, in a case where paragraph 12(2) (applications to vary) or 13(3) (variation) of Schedule 3ZA applies, or

(b) is not less than 1 month beginning with the day after the day the notice was given, in any other case.

(4) Where the Secretary of State has required or permitted an account holder to make representations other than in writing, the Secretary of State may subsequently invite the account holder to provide supporting evidence which the account holder wishes to be considered by the Secretary of State, using a method the Secretary of State considers appropriate.

(5) Where an account holder provides evidence in accordance with paragraph (4), and within the period specified by the Secretary of State in the notice given to the account holder, the evidence provided is to be treated as part of the representations for the purpose of paragraph (2).

(6) The Secretary of State must consider representations made after the period specified in accordance with paragraph (2) where—

(a) the Secretary of State considers it reasonable to do so in all the circumstances, and

(b) the Secretary of State has not already—

(i) made the direct deduction order, where the representations are made under paragraph 5(2) of Schedule 3ZA (further requirements before making a direct deduction order), or

(ii) varied or decided not to vary the direct deduction order, where the representations are made under paragraph 12(2) or paragraph 13(3) of Schedule 3ZA.

Applications for reviews

11.—(1) Where an account holder applies to the Secretary of State for a review of a direct deduction order under paragraph 18 of Schedule 3ZA (reviews), the application must—

(a) include the grounds for seeking the review,

(b) include any information or evidence which the account holder wishes to be considered by the Secretary of State as part of the review, and

(c) subject to paragraphs (2) and (3), be made in the manner specified in the direct deduction order or varied direct deduction order (or as provided under regulation 7(7)), or in the notice of the decision not to vary a direct deduction order in response to an application under paragraph 12(1) of Schedule 3ZA (applications to vary).

(2) Where the Secretary of State has required or permitted an account holder to apply for a review other than in writing, the Secretary of State may subsequently invite the account holder to provide any supporting evidence which the account holder wishes to be considered by the Secretary of State as part of the review using a method the Secretary of State considers appropriate.

(3) Where an account holder provides evidence in accordance with paragraph (2), and within the period set out in paragraph 18(3) of Schedule 3ZA, the Secretary of State must consider the evidence provided as part of the review.

Applications to vary a direct deduction order

12. Where an account holder applies to the Secretary of State to vary a direct deduction order under paragraph 12(1) of Schedule 3ZA (applications to vary), the application must—

(a) include the reason the account holder seeks the variation,

(b) include any information or evidence which the account holder wishes to be considered by the Secretary of State when deciding whether the order should be varied, and

(c) be made in the manner specified in the direct deduction order (or any subsequent notice given to the account holder in relation to it).

Chapter 3

DUTIES OF BANKS

Time and date by which a bank must comply with its duties

13.—(1) Where a bank must comply with a duty or requirement imposed by or under Schedule 3ZA and the time and date by which the bank must comply is not specified in Schedule 3ZA or elsewhere in these Regulations, the bank must do so—

(a) by the time and date specified by the Secretary of State in writing, or

(b) in any other case, by 5.00 p.m. on the second working day beginning with the day after the day on which the duty or requirement arose.

(2) A bank which gives a notice or information to the Secretary of State will be taken to have given it on the day the bank posts, sends or transmits the notice or information.

Methods by which information and notices must be given to the Secretary of State

14.—(1) A bank which gives notice or information to the Secretary of State under any provision of Schedule 3ZA must do so—

(a) by the method specified by the Secretary of State in the notice or order given to the bank requiring the bank to give the notice or information, or

(b) where no method is specified under sub-paragraph (a), by using any method listed in paragraph (3).

(2) The Secretary of State may only specify methods under paragraph (1)(a) which are listed in paragraph (3).

(3) The methods under this paragraph are—

(a) first or second class post, to the address specified by the Secretary of State,

(b) email to the address specified by the Secretary of State, or

(c) subject to regulation 8, any other method of electronic communication which the Secretary of State considers appropriate.

(4) Where a notice or information is given to the Secretary of State by email under paragraph (3)(b) or by another method of electronic communication under paragraph (3)(c), it must be given in accordance with any technical requirements specified by the Secretary of State.

(5) A bank which makes representations about its compliance with a requirement imposed by or under Schedule 3ZA, having been given a notice of a proposed penalty, must make such representations—

(a) using the method specified in the notice of a proposed penalty, and

(b) by the time specified in the notice of a proposed penalty.

Information to be given by banks to the Secretary of State

15.—(1) Any notice or information given to the Secretary of State by a bank under Schedule 3ZA must contain (or be given with) the unique reference set out in any notice or order relating to that direct deduction order (including before the order is made).

(2) Statements given to the Secretary of State by a bank in response to an account information notice(**a**) must—

(**a**) See paragraph 3(2) of Schedule 3ZA (requirement for banks to provide information) for the definition of "account information notice".

(a) be legible and have no information redacted,

(b) show the balance of the account at the start and end of the period covered by the statement, and

(c) identify every transaction which took place in the account during the period of the statement, setting out for each transaction—

(i) the date of the transaction,

(ii) a description of the kind of transaction (for example, whether money was paid out by direct debit),

(iii) any description for the transaction provided by the payer (for example, a payment reference),

(iv) the name of the account or person money was paid to or from,

(v) the amount of money deposited or credited, and

(vi) the balance of the account immediately following the transaction.

(3) A bank which is given an account information notice must give to the Secretary of State with the statements, if not included in the statements, the—

(a) name of every account holder,

(b) correspondence address of every account holder,

(c) account number for the account,

(d) sort code for the account,

(e) description of the type of account, and

(f) balance of the account on the date the bank complies with the account information notice.

(4) Where a bank is given a general information notice(**a**), the bank must notify the Secretary of State if the liable person does not hold an account with the bank.

(5) A bank must comply with the following duties before 5.00 p.m. on the tenth working day beginning with the day after the day on which it was given the relevant notice—

(a) give required notice or information where the relevant notice is a general information notice, and

(b) give required information or statements where the relevant notice is an account information notice or a further information notice(**b**).

Notification of relevant circumstances affecting an account or account holder

16.—(1) Where a bank—

(a) has been given—

(i) an account information notice,

(ii) a general information notice,

(iii) a further information notice,

(iv) a pre-deduction notice(**c**) (including a pre-deduction variation notice), or

(v) a direct deduction order,

(**a**) See paragraph 3(5) of Schedule 3ZA for the definition of "general information notice".
(**b**) See paragraph 15(1) of Schedule 3ZA (further information notices) for the definition of "further information notice".
(**c**) See paragraphs 5 (further requirements before making a direct deduction order) and 11(1) (restrictions on accounts) of Schedule 3ZA to the Social Security Administration Act 1992 (c. 5) for the definition of "pre-deduction notice".

(b) knows at the time the notice or order is given (or at any subsequent time, in the case of a direct deduction order) that one or more of the circumstances set out in paragraph (4) applies in relation to a relevant account or any holder of a relevant account, and

(c) has not already given notice to the Secretary of State of the circumstance and the account or account holder the circumstance relates to,

the bank must give notice to the Secretary of State of the circumstance and the account or account holder the circumstance relates to in accordance with paragraph (2).

(2) Notice required by paragraph (1) must be given to the Secretary of State before 5.00 p.m. on the tenth working day beginning on the day after the day—

(a) the bank was given the general information notice, account information notice, further information notice, pre-deduction notice, pre-deduction variation notice or direct deduction order, or

(b) the bank became aware of the circumstance, where this is after the bank was given the direct deduction order.

(3) For the purposes of paragraph (1), an account is a relevant account if it is—

(a) identified by the Secretary of State in the notice or order which was given to the bank, or

(b) an account which the bank must identify and provide to the Secretary of State in response to the notice.

(4) The circumstances under this paragraph are—

(a) the account has been closed, is in the process of being closed, or any person has requested its closure,

(b) the account has been transferred to another bank, is in the process of being transferred to another bank, or an account holder has requested its transfer to another bank,

(c) the liable person (as stated in the notice or order) is not, or is no longer, a holder of the account,

(d) an account holder has died,

(e) the bank has reason to believe the account is held by the liable person on trust for another person (unless that other person is also stated to be a liable person on the pre-deduction notice or direct deduction order),

(f) the bank is subject to an order (other than a direct deduction order) or arrestment of the kind described in regulation 22, 23 or 24(1) to (2), or

(g) the bank is subject to any other requirement under any other enactment or by an order of any court (except in a case to which sub-paragraph (f) applies) which would prevent the bank from complying with a direct deduction order which is proposed or given in respect of the account or the account holder.

(5) The bank ceases to be subject to the requirement in paragraph (1) where—

(a) the direct deduction order has been revoked (or is to be treated as revoked under paragraph 16(3) of Schedule 3ZA (suspension of direct deduction orders)),

(b) the bank has ceased to be subject to the direct deduction order under paragraph 17 of Schedule 3ZA (cessation on death of liable person),

(c) all the deductions required under the direct deduction order have been made, or

(d) the bank has been given notice that the Secretary of State has decided not to make a direct deduction order.

(6) Where the bank must give notice under this regulation of the circumstance described in paragraph (4)(f), the bank must give to the Secretary of State—

(a) a description of the kind of order (for example, a third party debt order or arrestment), and

(b) the date (if any) on which the bank reasonably expects to no longer be subject to any requirement under the order,

but the bank is not required by this regulation to provide the Secretary of State with a copy of the order or to identify the parties or court involved in the proceedings to which the order was made.

(7) Where the bank must give notice under this regulation of the circumstance described in paragraph (4)(g), the bank must notify the Secretary of State of the date on which it knows (or reasonably expects) the other requirement to cease, but is not required by this regulation to give the Secretary of State—

(a) a copy of any order relating to that requirement,

(b) information about the court which, or person who, made the order, or gave it to or served it on the bank,

(c) information identifying the enactment or other legal basis under which that requirement was imposed, or

(d) any other information regarding the particular circumstances which led to that requirement being imposed.

Restrictions on accounts

17.—(1) A bank which has received a pre-deduction notice which requires it to take one of the steps set out in paragraph 11(1)(a) to (b) of Schedule 3ZA (restrictions on accounts) must—

(a) comply with the requirement in paragraph 11(1) of Schedule 3ZA—

(i) before 5.00 p.m. on the second working day beginning with the day after the day on which the pre-deduction notice was given to the bank, or

(ii) if the bank intends (for any reason) to notify any account holder that it has received or complied with any notice or order under Schedule 3ZA before the time in paragraph (i), before notifying the account holder, and

(b) give the Secretary of State a notice as to whether it has complied with paragraph 11(1) of Schedule 3ZA and, if so, state the amount secured under paragraph 11(1)(a) of Schedule 3ZA or transferred to the hold account(**a**) under paragraph 11(2) of Schedule 3ZA (whichever the case may be), before the earlier of—

(i) 5.00 p.m. on the fifth working day beginning on the day after the day on which the bank complied with the requirements under paragraph 11(1) of Schedule 3ZA, or

(ii) 5.00 p.m. on the seventh working day beginning on the day after the day on which the pre-deduction notice was given to the bank.

(2) Where the Secretary of State has already given a bank a pre-deduction notice (the "first pre-deduction notice") in relation to a proposed lump sum direct deduction order which required the bank to apply restrictions on the account under paragraph 11 of Schedule 3ZA, and the Secretary of State has not subsequently given the bank a direct deduction order or a notice that no direct deduction order will be made, the Secretary of State may give the bank a further pre-deduction notice (a "pre-deduction variation notice") in relation to the same account.

(**a**) See paragraph 11(2)(a) of Schedule 3ZA for the definition of "hold account".

(3) For the purposes of paragraph 11(5) of Schedule 3ZA, a bank must treat a pre-deduction variation notice as a notice that no direct deduction order will be made in relation to the first pre-deduction notice given to it.

(4) In a pre-deduction variation notice, the specified amount(**a**) must be lower than the specified amount in the first pre-deduction notice.

(5) Where a bank is given a pre-deduction variation notice, it must before 5.00 p.m. on the second working day beginning with the day after the day the pre-deduction variation notice was given—

(a) cease any action taken to comply with paragraph 11(1)(a) of Schedule 3ZA in respect of the specified amount in the first pre-deduction notice, and at the same time (or immediately after) comply with paragraph 11(1) of Schedule 3ZA in respect of the specified amount in the pre-deduction variation notice, or

(b) where the bank took the action set out in paragraph 11(2) of Schedule 3ZA in respect of the first pre-deduction notice—

(i) transfer the amount held in the hold account, less the amount specified in the pre-deduction variation notice, to the account specified in the first pre-deduction notice, and

(ii) immediately thereafter comply with paragraph 11(2)(b) of Schedule 3ZA, in compliance with the requirement imposed by paragraph 11(1) of Schedule 3ZA as a result of having been given the pre-deduction variation notice.

(6) Where a bank has been given a pre-deduction variation notice, it must notify the Secretary of State whether it has complied with the pre-deduction variation notice before the earlier of—

(a) 5.00 p.m. on the fifth working day beginning with the day after the day on which the bank complied with the pre-deduction variation notice, or

(b) 5.00 p.m. on the seventh working day beginning with the day after the day on which the pre-deduction variation notice was given to the bank.

(7) Where the bank has been notified of a decision not to make a direct deduction order under paragraph 11(5)(a) of Schedule 3ZA, the bank must notify the Secretary of State when it has ceased any action taken to comply with paragraph 11(1) of Schedule 3ZA.

Making payments to the Secretary of State

18.—(1) This regulation applies to any payment which a bank must make to the Secretary of State, having deducted an amount under a direct deduction order in accordance with paragraph 1(4)(b) or 1(5)(b) of Schedule 3ZA (direct deduction orders).

(2) The bank must pay the amount to the Secretary of State by—

(a) automated credit transfer (or similar method), or

(b) such other method as the Secretary of State may specify.

(3) A payment must not be a consolidation or aggregate of multiple deductions taken by the bank unless—

(a) all the deductions were made in respect of the same direct deduction order, or

(b) the Secretary of State notifies the bank otherwise.

(4) Where payment is made by automated credit transfer (or similar method), the bank must identify the payment using the unique reference stated in the direct deduction order.

(**a**) See paragraph 11(1)(a), (2)(a) and (6) of Schedule 3ZA for the meaning of "specified".

(5) The bank must make a payment before 5.00 p.m. on the second working day beginning with the day after the day on which it deducted the amount from the liable person's account.

Suspended, re-started and revoked direct deduction orders

19.—(1) Where a bank is given a notice that the requirements to make deductions and payments under a direct deduction order have been suspended under paragraph 16(1) (suspension of direct deduction orders) or 19(6) of Schedule 3ZA (appeals), or that the direct deduction order has been revoked under paragraph 14(1) (revocation of direct deduction order) or 19(7)(b) of Schedule 3ZA, the bank must cease making deductions from the account in respect of the direct deduction order by 5.00 p.m. on the second working day beginning with the day after the day the notice was given.

(2) Where a bank has been given a notice re-starting the requirement to make deductions and payments under paragraph 16(1) of Schedule 3ZA, or is notified that the period of suspension imposed by the Tribunal under paragraph 19(6) of Schedule 3ZA has ended, the bank must resume compliance with any requirement of the direct deduction order before 5.00 p.m. on the tenth working day beginning with the day after the day the notice was given.

Insufficient funds (regular direct deduction orders)

20.—(1) This paragraph applies where—

(a) a bank is unable to take a deduction (the "first deduction") due to insufficient funds and must read the order as requiring the deduction to be taken on the same day the following week (the "later date"), in accordance with paragraph 9(2)(a) of Schedule 3ZA (insufficient funds),

(b) there are sufficient funds to make the first deduction on the later date, and

(c) the direct deduction order would, but for the insufficient funds in respect of the first deduction, have required the bank to take a further deduction (the "second deduction") on the later date (or during the same week as the later date).

(2) Where paragraph (1) applies, the bank must not make the second deduction.

Deputies

21. Where a bank must give the Secretary of State information under paragraph 23(5) of Schedule 3ZA, the bank must provide the information before 5.00 p.m. on the—

(a) seventh working day beginning with the day after the day the bank was given a pre-deduction notice relating to a proposed lump sum direct deduction order, or a lump sum direct deduction order, or

(b) tenth working day beginning with the day after the day the bank was given a—

(i) general information notice,

(ii) account information notice,

(iii) further information notice,

(iv) pre-deduction notice in relation to a proposed regular direct deduction order, or

(v) regular direct deduction order.

Chapter 4

INTERACTION BETWEEN DIRECT DEDUCTION ORDERS AND SIMILAR ORDERS

Priority as between regular direct deduction orders and similar court orders (England and Wales)

22.—(1) This regulation applies where a bank which has been given a regular direct deduction order in respect of an account has also been served a third party debt order which would require deductions to be made from (or other account restrictions to be applied to) the same account.

(2) Where an interim third party debt order is served on the bank on or before the date on which the bank would be required to make a deduction under a regular direct deduction order, and the bank was given the regular direct deduction order before the bank was served the interim third party debt order, the bank must—

(a) make the deduction required by the regular direct deduction order, and

(b) thereafter, only make deductions under the regular direct deduction order if doing so would not prevent compliance with the interim third party debt order.

(3) A bank must only make a deduction under a regular direct deduction order, where the bank had been served with an interim third party debt order before it was given the regular direct deduction order, if doing so would not prevent the bank's compliance with the interim third party debt order.

(4) Where a final third party debt order is served on the bank on or before the date on which a deduction must be made under a regular direct deduction order, the bank must comply with the final third party debt order before making the deduction under the regular direct deduction order.

(5) For the purposes of paragraph (1), "other account restrictions" means anything the bank is required to do, or is prohibited from doing, under the third party debt order which would otherwise prevent the bank from making or allowing payments or deductions from the account.

(6) In this regulation—

"final third party debt order" has the meaning given by rule 72.2(1) of the Civil Procedure Rules 1998(**a**);

"interim third party debt order" has the meaning given by rule 72.2(2) of the Civil Procedure Rules 1998.

(7) This regulation does not apply in Scotland.

Priority as between regular direct deduction orders and similar court orders (Scotland)

23.—(1) This regulation applies where a bank which has been given a regular direct deduction order in respect of an account has also been served an arrestment schedule ("arrestment") which would require other restrictions to be applied to the same account.

(2) Where an arrestment is served on the bank on or before the day on which a deduction must be made under a regular direct deduction order (which has already been given to the bank), the bank must—

(a) make the deduction required by the regular direct deduction order, and

(b) thereafter, only make deductions under the regular direct deduction order if doing so would not prevent compliance with the arrestment.

(**a**) S.I. 1998/3132.

(3) Where an arrestment is served on the bank before the bank was given the regular direct deduction order, the bank must only make a deduction under the regular direct deduction order if doing so would not prevent the bank from complying with the arrestment.

(4) For the purposes of paragraph (1), "other restrictions" mean anything the bank is required to do, or is prohibited from doing, under the arrestment which would prevent the bank from making or allowing payments or deductions from the account in question.

(5) This regulation does not apply in England and Wales.

Priority as between direct deduction orders and orders under other enactments

24.—(1) Where a bank has been given a regular direct deduction order and has been served an order requiring regular deductions from the account under section 32A(1) of the Child Support Act 1991(**a**) ("CSA Order") and the CSA Order would require a deduction to be made before or on the same day as the regular direct deduction order, the bank must comply with the CSA Order before making the deduction under the regular direct deduction order.

(2) Where a bank is given a regular direct deduction order and is given or served another order or notice under any other enactment (except a CSA Order, third party debt order or arrestment) which requires a deduction or payment to be made from the account, the bank must—

(a) make the deduction under the regular direct deduction order before complying with the other order or notice, if the bank was given the regular direct deduction order before it was given or served the other order or notice, or

(b) comply with the other order or notice before making the deduction under the regular direct deduction order if it was given or served the other order or notice before being given the regular direct deduction order.

(3) Except where paragraph (1) or (2), or regulation 22 or 23, applies, the bank must give priority to any order under any other enactment which would prohibit it generally from making (or allowing to be made) deductions or payments from the account to which a direct deduction order relates.

Chapter 5

BANK'S ADMINISTRATIVE COSTS

Provision for a bank's administrative costs under a direct deduction order

25.—(1) A direct deduction order which includes provision for a bank to deduct its reasonably incurred costs of complying with a direct deduction order ("bank's administrative costs") under paragraph 8(1) of Schedule 3ZA (bank's administrative costs) must not require the bank to deduct its administrative costs.

(2) In the case of a lump sum direct deduction order, the bank may not deduct from the liable person's account an amount in respect of the bank's administrative costs which exceeds the lesser of—

(a) £55, or

(b) the amount the bank has actually incurred, or reasonably estimates it has incurred or will incur, in respect of complying with the direct deduction order (including any action the bank was required to take prior to being given the direct deduction order).

(**a**) 1991 c. 48. Section 32A was inserted by section 22 of the Child Maintenance and Other Payments Act 2008 (c. 6). It was amended by S.I. 2012/2007.

(3) In the case of a regular direct deduction order, the bank may not deduct from the liable person's account an amount in respect of the bank's administrative costs which exceeds the lesser of—

(a) £10 for every deduction required by the direct deduction order,

(b) £40 in any 1 month, or

(c) the amount the bank has actually incurred, or reasonably estimates it has incurred or will incur, in respect of complying with the direct deduction order (including any action the bank was required to take prior to being given the direct deduction order).

(4) A bank may not deduct its administrative costs if doing so would cause there to be insufficient funds to deduct the amount payable to the Secretary of State under the direct deduction order on that day.

Chapter 6

CALCULATION OF AMOUNTS TO BE DEDUCTED

Establishing whether deductions would cause hardship in meeting essential living expenses

26.—(1) This regulation applies where the Secretary of State is considering whether the terms of the direct deduction order, if made or varied, would cause a person to suffer hardship in meeting essential living expenses for the purposes of paragraph 6(1)(a) of Schedule 3ZA (amounts of deductions).

(2) The Secretary of State must have regard to the following essential living expenses—

(a) accommodation,

(b) food,

(c) hygiene and personal care,

(d) heating,

(e) water supply, and

(f) council tax.

(3) In establishing whether a deduction would cause a person to suffer hardship in meeting the essential living expenses in paragraph (2), the Secretary of State must consider any—

(a) information provided by a bank in response to an account information notice,

(b) evidence provided by an account holder in making representations in accordance with regulation 10,

(c) evidence provided by an account holder in an application for a review of a direct deduction order in accordance with regulation 11, and

(d) evidence provided by an account holder in an application for a direct deduction order to be varied in accordance with regulation 12.

(4) Where the Secretary of State considers in accordance with paragraph (3) there is reason to believe an account holder typically meets, or is likely to meet, one or more of the essential living expenses listed in paragraph (2), the Secretary of State must have regard to—

(a) the amount the account holder pays (or is likely to pay) towards meeting that essential living expense, and

(b) the amount the Secretary of State expects an ordinary person in the account holder's circumstances would reasonably incur in meeting that essential living expense, if less than the amount identified in sub-paragraph (a).

(5) Where the Secretary of State does not consider, in accordance with paragraph (3), there is reason to believe an account holder typically meets, or is likely to meet, an essential living expense under paragraph (2), the Secretary of State must—

(a) have regard to the amount the Secretary of State expects an ordinary person in the account holder's circumstances to reasonably incur in order to meet the essential living expense, or

(b) presume the account holder is not responsible for incurring the essential living expense, where it is reasonable to do so.

Maximum deductions (regular direct deduction orders)

27.—(1) 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—

(a) 40% of the relevant amount(**a**) where paragraph (2) applies, or

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

(2) This paragraph applies where, in relation to any part of the recoverable amount, the liable person has—

(a) been convicted of an offence whether under statute or otherwise,

(b) made an admission after caution of deception or fraud for the purpose of obtaining benefit under the Social Security Administration Act 1992(**b**) or a tax credit under the Tax Credits Act 2002(**c**), or

(c) agreed to pay a penalty under section 115A of the Social Security Administration Act 1992(**d**) (penalty as an alternative to prosecution) and the agreement has not been withdrawn.

(3) In this regulation—

"admission after caution" means—

(a) in England and Wales, an admission after a caution has been administered in accordance with a Code issued under the Police and Criminal Evidence Act 1984(**e**), and

(b) in Scotland, an admission after a caution has been administered, such admission being duly witnessed by two persons.

Amounts to be taken into account or disregarded in calculating the amount of deductions

28.—(1) When determining the amount to be deducted under a lump sum direct deduction order or a regular direct deduction order, the Secretary of State must consider the amount standing to the credit of the account, and any amount which is or is likely to be paid into the account.

(2) In determining the amount to be deducted under a lump sum direct deduction order, the Secretary of State must disregard any amount standing to the credit of the account which the Secretary of State has identified and considers—

(**a**) See paragraph 6(4) of Schedule 3ZA (amount of deductions) for the definition of "relevant amount".

(**b**) 1992 c. 5.

(**c**) 2002 c. 21. Part 1 has been repealed by Part 1 of Schedule 14 to the Welfare Reform Act 2012 (c. 5), subject to saving provisions in S.I. 2019/167.

(**d**) Section 115A was inserted by section 15 of the Social Security Administration (Fraud) Act 1997 (c. 47) and was amended by section 14 of the Social Security Fraud Act 2001 (c. 11); sections 105, 113, 114 and 115 of, and Part 1 of Schedule 14 to, the Welfare Reform Act 2012 (c. 5); art. 2 of the S.I. 2015/202; and sections 102(2) to (6) of the Public Authorities (Fraud, Error and Recovery) Act 2025 (c. 28).

(**e**) 1984 c. 60.

(a) is of the kind set out in paragraph (4) and—

(i) was paid into the account (or otherwise to the account holder) in the 3 months ending immediately before the Secretary of State determines or varies the amount to be deducted, and

(ii) has been retained by the account holder so that it may be used for the purpose for which it was paid,

(b) is of the kind set out in paragraph (5) and—

(i) was paid into the account (or otherwise to the account holder) in the 12 months ending immediately before the Secretary of State determines or varies the amount to be deducted, and

(ii) has been retained by the account holder so that it may be used for the purpose for which it was paid, or

(c) is an amount attributable to the proceeds of the sale of premises formerly occupied by an account holder as their home and which—

(i) stands to the credit of the account,

(ii) was paid into the account (or otherwise to the account holder) in the 6 months ending immediately before the Secretary of State determines or varies the amount to be deducted, and

(iii) has been retained by the account holder for the purpose of purchasing a property, which the account holder will use as their primary residence, within 6 months beginning with the day the amount was paid to the account holder.

(3) In determining the amount which is likely to be available to be deducted under a regular direct deduction order, the Secretary of State must disregard any payment of the kind set out in paragraph (4) or (5) which the Secretary of State has identified was previously paid into the account, or otherwise considers is likely to be paid into the account during the period of the regular direct deduction order.

(4) The payments under this paragraph are—

(a) a part or the whole of a sum awarded to a person, or agreed by or on behalf of a person, in consequence of a personal injury to that person except for any part of the sum which is in lieu of lost earnings or lost earning capacity,

(b) of the kind which is disregarded by the Secretary of State under regulation 76 of the Universal Credit Regulations 2013(**a**), and

(c) social security assistance, of the kind set out in Part 2, Chapter 2 of the Social Security (Scotland) Act 2018(**b**), provided by the Scottish Ministers.

(5) The payments under this paragraph are—

(a) child benefit within the meaning in section 141 of the Social Security Contributions and Benefits Act 1992(**c**),

(b) monies paid by a non-resident parent to a resident parent for the sole purpose of providing for the maintenance of a child, whether or not paid under the Child Support Act 1991(**d**), and

(**a**) S.I. 2013/376. Relevant amending instruments are S.I. 2017/689, 2020/618, 2021/1405, 2023/640, 2023/894, 2023/1144, 2025/44 and 2025/778.
(**b**) 2018 asp 9.
(**c**) 1992 c. 4. Section 141 was amended by section 1(1) of the Child Benefit Act 2005 (c. 6).
(**d**) 1991 c. 48.

(c) a disability living allowance under section 71 of the Social Security Contributions and Benefits Act 1992(**a**) paid in respect of any child.

(6) Nothing in this regulation prevents the Secretary of State from considering the kinds of payments described in paragraphs (4) and (5) when determining whether a deduction would cause a person hardship in meeting essential living expenses, whether deductions would be fair in all the circumstances, or in carrying out an assessment of the liable person's beneficial interest under paragraph 4 of Schedule 3ZA (joint accounts).

Amounts which must be considered in calculating the amount of deductions

29. When determining the amount to be deducted under a lump sum direct deduction order or a regular direct deduction order, the Secretary of State must have regard to any payment which the Secretary of State considers the liable person is likely to make in respect of—

(a) income tax or national insurance contributions to His Majesty's Revenue and Customs, or

(b) child support maintenance which, as a non-resident parent, the liable person is liable to pay under the Child Support Act 1991.

PART 3

DISQUALIFICATION FROM DRIVING

Applications for a DWP disqualification order

30.—(1) Subject to paragraph (2), an application to a magistrates' court for a suspended or immediate DWP disqualification order may be made by complaint.

(2) The following provisions of the Magistrates' Courts Act 1980(**b**) do not apply in relation to an application for a suspended or immediate DWP disqualification order—

(a) section 55(2), (4) to (8) (non-appearance of defendant), and

(b) section 127 (limitation of time).

(3) This regulation does not apply in Scotland.

PART 4

RECOVERY OF COSTS AND DEDUCTIONS FROM BENEFITS OR EARNINGS

Amendments to the Social Security (Overpayments and Recovery) Regulations 2013

31.—(1) The Social Security (Overpayments and Recovery) Regulations 2013(**c**) are amended as follows.

(2) In regulation 3(2)(a) (recoverable amounts)(**d**)—

(a) omit sub-paragraph (a);

(b) after sub-paragraph (c) insert—

(**a**) Section 71 was amended by section 67(1) of the Welfare Reform and Pensions Act 1999 (c. 30) and by S.I. 2021/804, 2022/335, 2024/1048, 2025/224.
(**b**) 1980 c. 43.
(**c**) S.I. 2013/384. Regulation 20(3A) was inserted by S.I. 2015/499.
(**d**) Section 71ZE(3) of the Social Security Administration Act 1992 ("the Act") was omitted, and section 80G of the Act inserted, by section 99(2) to (3) of the Public Authorities (Fraud, Error and Recovery) Act 2025.

"(ca) section 80G (recovery of costs);".

(3) In the following regulations, for "found guilty" substitute "convicted"—

(a) regulation 11(3)(a)(i) (recovery by deduction from universal credit);

(b) regulation 14(3)(a)(i) (recovery by deduction from state pension credit);

(c) regulation 15(2)(a) (restrictions on recovery of rent and consequent notifications);

(d) regulation 20(3A) (amount to be deducted by employer).

Amendments to the Social Security (Payments on account, Overpayments and Recovery) Regulations 1988

32. In regulation 16(5)(a) of the Social Security (Payments on account, Overpayments and Recovery) Regulations 1988 (limitations on deductions from prescribed benefits)(**a**), for "found guilty" substitute "convicted".

Signed by authority of the Secretary of State for Work and Pensions

Lilian Greenwood
Parliamentary Under-Secretary of State
Department for Work and Pensions

6th October 2026

(**a**) S.I. 1988/664, amended by S.I. 2000/2336.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision in relation to the recovery of debt under Schedules 3ZA and 3ZB to the Social Security Administration Act 1992 (c. 5) ("the Act"), as inserted by the Public Authorities (Fraud, Error and Recovery) Act 2025 (c. 28) ("2025 Act").

Part 1 (regulations 1 and 2) contains interpretation provisions and provisions relating to commencement.

Part 2, Chapter 1 (regulations 3 to 9) sets out how notices and orders are to be given by the Secretary of State to the account holder and financial institutions, including the method(s) which must be used, when notices and orders are considered in law to have been given for these purposes, and certain information which must be included. Regulation 8 requires the Secretary of State to consult with a bank (or representatives of the financial sector) before giving notices or orders (or requiring a bank to provide information or notices, for the purposes of Part 2, Chapter 3) using another form of electronic communication which the Secretary of State considers may be onerous to the bank.

Part 2, Chapter 2 (regulations 10 to 12) sets out how account holders make representations and apply for a review or a variation of an existing order, including the methods which can be used.

Part 2, Chapter 3 (regulations 13 to 21) makes provision relating to the duties of banks, such as time to comply, additional information which must be provided (such as other legal restrictions on an account) and how information must be shared with the Secretary of State.

Part 2, Chapter 4 (regulations 22 to 24) makes provision for the interaction between direct deduction orders and other similar orders, including making provisions that deduction orders given by the Secretary of State under the Child Support Act 1991 (c. 48) must be given priority over a direct deduction order.

Part 2, Chapter 5 (regulation 25) makes provision for a bank's administrative costs when making a successful deduction under a direct deduction order.

Part 2, Chapter 6 (regulations 26 to 29) sets out considerations the Secretary of State must make when calculating the direct deduction amount. Regulation 26 sets out how and when the Secretary of State must consider whether a person would be caused hardship in meeting essential living expenses. Regulation 27 sets maximum rates of regular deductions under a regular direct deduction order, in cases not involving fraud. Regulation 28 sets out certain payments which, when identified, must be disregarded for a period of time from the amount available to be deducted from. Regulation 29 sets out certain payments which the liable person might be required to make, which the Secretary of State must consider in determining the amount of a deduction.

Part 3 (regulation 30) sets out the procedure for applications to be made to a magistrates' court in England and Wales in respect of a suspended or immediate DWP disqualification order. The regulation provides that applications should be made as a complaint, and disapplies certain provisions in the Magistrates' Courts Act 1980 (c. 43) in respect of such applications.

Part 4 (regulations 31 and 32) amends the Social Security (Overpayments and Recovery) Regulations 2013 (S.I. 2013/384) and the Social Security (Payments on account, Overpayments and Recovery) Regulations 1988 (S.I. 1988/664). Regulation 31 makes a consequential amendment, replacing a previous reference to section 71ZE(3) of the Act (which dealt with recovery of court

costs) with section 80G of the Act (which was introduced by the 2025 Act and allows recovery of a wider range of costs, including those incurred by court action or under Schedules 3ZA and 3ZB to the Act). Regulations 31 and 32 also change the wording in provisions regarding the rate of recovery in deductions from benefits and direct earnings attachments from "found guilty" to "convicted", to ensure consistency with other provisions in these Regulations and in the 2025 Act.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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ISBN 978-0-34-828753-0

£8.90

http://www.legislation.gov.uk/id/uksi/2026/1069

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