
Committee Stage: Wednesday 26 February 2025

Public Authorities (Fraud, Error and Recovery) Bill

(Amendment Paper)

This document lists all amendments tabled to the Public Authorities (Fraud, Error and Recovery) Bill. Any withdrawn amendments are listed at the end of the document. The amendments are arranged in the order in which it is expected they will be decided.

☆ Amendments which will comply with the required notice period at their next appearance.

Rebecca Smith

11

Mike Wood

☆ Clause 3, page 2, line 36, at end insert—

- “(c) the information is likely to relate to the suspected fraud, and
- (d) the cost involved in recovering the required information is likely to be reasonable and proportionate.”

Rebecca Smith

10

Mike Wood

☆ Clause 3, page 2, line 36, at end insert—

- “(1A) The Minister has reasonable grounds to suspect a person has committed fraud against a public authority if—
 - (a) there is an objective basis for the Minister’s suspicion based on facts, verifiable information or intelligence, and
 - (b) a reasonable person would be entitled to reach same conclusion based on the same facts, information or intelligence.
- (1B) The Minister does not have reasonable grounds to suspect a person has committed fraud against a public authority if the Minister’s suspicion—
 - (a) is based in any way on—

- (i) the person's physical appearance,
- (ii) any protected characteristic under the Equality Act 2010 that a person may have or appear to the Minister to have, or
- (b) is based solely on any generalisation or stereotype giving rise to a belief that certain groups or categories of people are more likely to be involved in criminal activity."

Rebecca Smith

14

Mike Wood

- ☆ Clause 3, page 3, line 10, delete "10" and insert "28"

Rebecca Smith

9

Mike Wood

- ☆ Clause 3, page 3, line 30, at end insert—

"reasonable" means the Minister must have formed a genuine suspicion in their own mind, and the suspicion that fraudulent activity has taken place must be reasonable. This means that there must be an objective basis for that suspicion based on facts, verifiable information and or intelligence which indicate that fraudulent activity will be found, so that a reasonable person would be entitled to reach the same conclusion based on the same facts and information, and or intelligence."

Rebecca Smith

15

Mike Wood

- ☆ Clause 4, page 3, line 33, leave out "Minister" and insert "First Tier Tribunal"

Rebecca Smith

12

Mike Wood

- ☆ Clause 4, page 3, line 33, at end insert—

"or of the duration of the period mentioned in section 3(4)(a)"

Rebecca Smith

16

Mike Wood

- ☆ Clause 4, page 3, line 36, leave out "Minister" and insert "First Tier Tribunal"

Rebecca Smith

17

Mike Wood

- ☆ Clause 4, page 3, line 38, leave out “Minister” and insert “First Tier Tribunal”

Rebecca Smith

13

Mike Wood

- ☆ Clause 4, page 4, line 2, at end insert—

“, including by extending the duration of the period mentioned in section 3(4)(a) where satisfied that the person is reasonably unable to comply with the requirement to provide the information within the time required by the notice”

Rebecca Smith

18

Mike Wood

- ☆ Clause 4, page 4, line 3, leave out “Minister” and insert “First Tier Tribunal”

Georgia Gould

Gov 1

Clause 6, page 4, line 28, in column 1, after “Office” insert “, so far as relating to the Public Sector Fraud Authority”

Member's explanatory statement

This amendment limits the designation of the Cabinet Office as a relevant public authority for the purposes of Part 3 of the Investigatory Powers Act 2016 so that it is designated only so far as relating to the Public Sector Fraud Authority.

Steve Darling

26

John Milne

- ☆ Page 11, line 20, leave out Clause 19

Rebecca Smith

19

Mike Wood

- ☆ Clause 22, page 14, line 27, leave out from “applies,” to “and” in line 28 and insert “the amounts credited to the account in the relevant period,”

Georgia Gould

Gov 2

Clause 34, page 20, line 30, leave out from “review” to end of line 35

Member's explanatory statement

This amendment leaves out provision that is not needed; clause 29(5), (6) and (8) makes the necessary provision.

Rebecca Smith

20

Mike Wood

☆ Clause 41, page 25, line 16, leave out “40% of”

Steve Darling

31

John Milne

☆ Clause 64, page 34, line 23, at end insert—

“(1A) Prior to appointing an independent person, the Minister must consult the relevant committee of the House of Commons.

(1B) For the purposes of subsection (1A), “the relevant committee” means a committee determined by the Speaker of the House of Commons.”

Member's explanatory statement

This amendment would ensure Parliamentary oversight of the appointment of the “Independent person”.

Georgia Gould

Gov 3

Clause 67, page 36, line 10, leave out “disclosure, obtaining or use” and insert “processing”

Member's explanatory statement

This amendment clarifies that clause 67(3) applies in relation to all processing of information and makes it consistent with clause 67(1) and (2).

Steve Darling

27

John Milne

☆ Page 41, line 8, leave out Clause 74

Steve Darling 30
John Milne

☆ Schedule 3, page 84, leave out line 12

Member's explanatory statement

This amendment would remove pension credit from being a 'relevant benefit' for the purposes of the Act.

Rebecca Smith 25
Mike Wood

☆ Schedule 3, page 84, line 12, at end insert "(d) housing benefit"

Steve Darling 29
John Milne

☆ Schedule 3, page 84, leave out lines 13 to 17

Member's explanatory statement

This amendment would mean remove the provision for regulations to change the list of qualifying benefits.

Rebecca Smith 24
Mike Wood

☆ Schedule 3, page 84, line 25, at end insert—

"or such an account which is held by a person appointed to receive benefits on behalf of another person."

Steve Darling 28
John Milne

☆ Page 73, line 6, leave out Schedule 3

Andrew Western Gov 4

Schedule 4, page 91, line 28, after "item" insert "or material"

Member's explanatory statement

This amendment clarifies that paragraph 2(3) of new Schedule 3ZD of the Social Security Administration Act 1992 (as inserted by Schedule 4 of the Bill) applies in relation to any item or material.

Andrew Western

Gov 5

Schedule 4, page 91, line 31, after "item" insert "or material"

Member's explanatory statement

This amendment clarifies that paragraph 2(4) of new Schedule 3ZD of the Social Security Administration Act 1992 (as inserted by Schedule 4 of the Bill) applies in relation to any item or material.

Siân Berry

7

Clause 89, page 55, line 6, leave out from "unless" to the end of line 14 and insert—

- “(a) the liable person agrees, or
- (b) there has been a final determination by a court or tribunal that it is necessary and proportionate to exercise a power under Schedule 3ZA.”

Member's explanatory statement

This amendment would mean that the Secretary of State can only exercise powers to recover amounts from a person where the person agrees or where a court or tribunal has determined that such recovery is necessary and appropriate.

Siân Berry

8

Schedule 5, page 98, line 10, leave out from beginning to end of line 24 on page 99

Member's explanatory statement

This amendment would remove the requirement for banks to provide information to the Secretary of State for the purposes of making a direct deduction order.

Rebecca Smith

21

Mike Wood

☆ Schedule 5, page 101, line 17, leave out from "exceed" to the end of line 18 and insert—

- “(a) in a case to which sub-paragraph (3A) applies, the amounts credited to the account in the relevant period, or
- (b) in any other case, 40% of the amounts credited to the account in the relevant period.

- (3A) 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.”

Andrew Western

Gov 6

Schedule 5, page 107, line 2, leave out from “review” to end of line 7

Member's explanatory statement

This amendment leaves out provision that is not needed; paragraph 13(5), (6) and (8) of new Schedule 3ZA of the Social Security Administration Act 1992 (as inserted by Schedule 5 of the Bill) makes the necessary provision.

Rebecca Smith

22

Mike Wood

- ☆ Schedule 5, page 110, line 29, at end insert “to which paragraph 6(3A) does not apply”

Siân Berry

NC1

- ☆ To move the following Clause—

“Overpayments made as a result of official error

- (1) Section 71ZB of the Social Security Administration Act 1992 is amended as follows.
- (2) In subsection (1), for “The” substitute “Subject to subsection (1A), the”.
- (3) After subsection (1) insert—

“(1A) The amount referred to in subsection (1) shall not include any overpayment that arose in consequence of an official error where the claimant or a person acting on the claimant’s behalf or any other person to whom the payment is made could not, at the time of receipt of the payment or of any notice relating to that payment, reasonably have been expected to realise that it was an overpayment.””

Member's explanatory statement

This new clause would provide that, where universal credit overpayments have been caused by official error, they can only be recovered where the claimant could reasonably have been expected to realise that there was an overpayment.

Rebecca Smith

NC2

Mike Wood

☆ To move the following Clause—

“Offence of fraud against a public authority

- (1) A person who—
 - (a) commits,
 - (b) assists or conspires in the committal of, or
 - (c) encourages the committal offraud against a public authority commits an offence.
- (2) A person who commits an offence under subsection (1) is liable—
 - (a) on summary conviction, to imprisonment for a term not exceeding the general limit in a magistrates’ court or a fine (or both);
 - (b) on conviction on indictment, to imprisonment for a term not exceeding 7 years.”

Rebecca Smith

NC3

Mike Wood

☆ To move the following Clause—

“Application of the Police and Criminal Evidence Act 1984 to investigations conducted by the Department for Work and Pensions

- (1) The Secretary of State must, within six months of the passing of this Act, introduce regulations for the purpose of applying certain powers of the Police and Criminal Evidence Act 1984, subject to such modifications as the order may specify, to investigations of offences conducted by the Department for Work and Pensions.
- (2) The powers to be applied must include—
 - (a) the power of arrest;
 - (b) any other such powers that the Secretary of State considers appropriate.
- (3) Regulations made under this section shall be made by statutory instrument.”

Rebecca Smith

NC4

Mike Wood

☆ To move the following Clause—

“Liability orders

- (1) Where a person—
 - (a) has been found guilty of an offence under section 1 or section 11 of the Fraud Act 2006, or the offence at common law of conspiracy to defraud, and
 - (b) has not paid the required penalties or not made the required repayments,

the Secretary of State may apply to a magistrates' court or, in Scotland, to the sheriff, for an order ("a liability order") against the liable person.

- (2) Where the Secretary of State applies for a liability order, the magistrates' court or (as the case may be) sheriff shall make the order if satisfied that the payments in question have become payable by the liable person and have not been paid.
- (3) The Secretary of State may make regulations in relation to England and Wales—
 - (a) prescribing the procedure to be followed in dealing with an application by the Secretary of State for a liability order;
 - (b) prescribing the form and contents of a liability order; and
 - (c) providing that where a magistrates' court has made a liability order, the person against whom it is made shall, during such time as the amount in respect of which the order was made remains wholly or partly unpaid, be under a duty to supply relevant information to the Secretary of State.
- (4) Where a liability order has been made against a person ("the liable person"), the Secretary of State may use the procedure in Schedule 12 to the Tribunals, Courts and Enforcement Act 2007 (taking control of goods) to recover the amount in respect of which the order was made, to the extent that it remains unpaid."

Rebecca Smith

NC5

Mike Wood

☆ To move the following Clause—

"Publication of results of pilot schemes

Within three months of this Act coming into force, the Secretary of State must publish the results of any pilot schemes run with banks to test the provisions in Chapter 1 of Part 2."

Rebecca Smith

NC6

Mike Wood

☆ To move the following Clause—

"Report on cost implications for banks

The Secretary of State must, within three months of the passing of this Act, publish a report on the expected cost implications of the provisions of this Act for banks."

Rebecca Smith

NC7

Mike Wood

☆ To move the following Clause—

“Annual reporting of amounts recovered

- (1) The Secretary of State must publish an annual report detailing the amount of money which has been recovered under the provisions of this Act.
- (2) A first report must be published no later than 12 months after the passing of this Act with subsequent reports published at intervals of no more than 12 months.”

Rebecca Smith

NC8

Mike Wood

☆ To move the following Clause—

“Publication of an Anti-Fraud and Error Technology Strategy

- (1) The Secretary of State must, within six months of the passing of this Act, publish an Anti-Fraud and Error Technology Strategy.
- (2) An Anti-Fraud and Error Technology Strategy published under this section must set out—
 - (a) how the Government intends to use automated technologies or artificial intelligence to tackle fraud against public authorities and the making of erroneous payments by public authorities, and
 - (b) a series of safeguards to provide for human oversight of decision making that meet the aims set out in subsection (3);
 - (c) how rights of appeal will be protected;
 - (d) a framework for privacy and data sharing.
- (3) The aims of the safeguards in subsection (2)(b) are—
 - (a) to ensure that grounds for decision making can only be reasonable if they are the result of a process in which there has been meaningful human involvement by a human of adequate expertise to scrutinise any insights or recommendations made by automated systems,
 - (b) to make clear that grounds cannot be reasonable if they are the result of an entirely automated process, and
 - (c) to ensure that any information notice issued is accompanied by a statement—
 - (i) setting out the reasonable grounds for suspicion that have been relied on, and
 - (ii) confirming that the conclusion has been formed on the basis of human involvement.”

Rebecca Smith

NC9

Mike Wood

☆ To move the following Clause—

“Impact of Act on vulnerable customers

- (1) The Secretary of State must, within six months of the passing of this Act, lay before Parliament an assessment of the expected impact of the Act on vulnerable customers.
- (2) For the purposes of this section, “vulnerable customers” means someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care.”

Steve Darling

NC10

John Milne

☆ To move the following Clause—

“Recovery of overpayments of Carer’s Allowance

The Secretary of State may not exercise any of the powers of recovery under this Act in relation to a person who has received an overpayment of Carer’s Allowance until such time as—

- (a) the Secretary of State has commissioned an independent review of the overpayment of Carer’s Allowance;
- (b) the review has concluded its inquiry and submitted a report containing recommendations to the Secretary of State;
- (c) the Secretary of State has laid the report of the independent review before Parliament; and
- (d) the Secretary of State has implemented the recommendations of the independent review.”

Member’s explanatory statement

This new clause would delay any payments being taken from people who the Government may think owe repayments on Carer’s Allowance until the independent review into Carer’s Allowance overpayments has been published and fully implemented.

Steve Darling

NC11

John Milne

☆ To move the following Clause—

“Audit of algorithmic systems used in relation to Carer’s Allowance overpayments

- (1) An independent audit of algorithmic systems used in the assessment, detection or recovery of Carer’s Allowance overpayments must be conducted at least once every six months.

- (2) Any audit under subsection (1) must be conducted by persons with relevant expertise in data science, ethics and social policy who have no direct affiliation with—
 - (a) the Department for Work and Pensions, or
 - (b) any person or body involved in the development or operation of the algorithmic systems under review.
- (3) An audit conducted under this section must consider—
 - (a) the accuracy of the algorithmic systems in identifying overpayments, and
 - (b) the fairness of the systems' design, application and operation, including any disproportionate impact on particular groups.
- (4) After every audit a report on its findings must be—
 - (a) published;
 - (b) laid before both Houses of Parliament within 14 days of publication; and
 - (c) made publicly available in an accessible format.
- (5) If any audit identifies significant inaccuracies, unfairness or biases in any algorithmic systems, the Secretary of State must, within 30 days of the publication of the report outlining these findings, present an action plan to Parliament which outlines the steps which the Government intends to take to address the identified issues."

Member's explanatory statement

This new clause would provide for an audit of algorithmic systems used in relation to Carer's Allowance overpayments.

Steve Darling

NC12

John Milne

☆ To move the following Clause—

"Impact of Act on people facing financial exclusion

- (1) The independent person appointed under section 64(1) of this Act must carry out an assessment of the impact of this Act on the number of people facing financial exclusion.
- (2) The independent person must, after 12 months of the passing of the Act—
 - (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."

Member's explanatory statement

This new clause would look into the impact of the Act on people facing financial exclusion.

Steve Darling

32

John Milne

☆ Clause 103, page 63, line 26, leave out from start to “following” in line 29 and insert—

“Subject to subsections (1A) and (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.

(1A) No part of this Act may come into force until the recommendations of a report commissioned under section [*Recovery of overpayments of Carer's Allowance*] have been implemented.

(2) Subject to subsection (1A), the”

Rebecca Smith

23

Mike Wood

☆ Clause 103, page 63, line 35, at end insert—

“(3A) Before bringing into force any of the provisions of Part 1 of this Act, the Secretary of State must consult with banks as to the costs which will be incurred by banks upon application of the provisions of Part 1.

(3B) Where consultation finds that the expected costs to banks are at a disproportionate level, the Secretary of State may not bring into force the provisions which are expected to result in such disproportionate costs.”

Order of the House

[3 February 2025]

That the following provisions shall apply to the Public Authorities (Fraud, Error and Recovery) Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 20 March 2025.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.
5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.
6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill may be programmed.

Order of the Committee

[25 February 2025]

That—

1. the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 25 February) meet—
 - (a) at 2.00 pm on Tuesday 25 February;
 - (b) at 11.30 am and 2.00 pm on Thursday 27 February;
 - (c) at 9.25 am and 2.00 pm on Tuesday 4 March;
 - (d) at 11.30 am and 2.00 pm on Thursday 6 March;
 - (e) at 9.25 am and 2.00 pm on Tuesday 11 March;
 - (f) at 11.30 am and 2.00 pm on Thursday 13 March;
 - (g) at 9.25 am and 2.00 pm on Tuesday 18 March;
 - (h) at 11.30 am and 2.00 pm on Thursday 20 March;
2. the Committee shall hear oral evidence in accordance with the following Table:

<i>Date</i>	<i>Time</i>	<i>Witness</i>
Tuesday 25 February	Until no later than 10.10 am	Professor Mark Button, University of Portsmouth; Dr Rasha Kassem, Aston University; Professor Michael Levi, Cardiff University

<i>Date</i>	<i>Time</i>	<i>Witness</i>
Tuesday 25 February	Until no later than 10.30 am	Cifas
Tuesday 25 February	Until no later than 11.00 am	Kristin Jones; NHS Counter Fraud Authority
Tuesday 25 February	Until no later than 11.25 am	Money and Pensions Service
Tuesday 25 February	Until no later than 2.30 pm	National Audit Office; HM Revenue & Customs
Tuesday 25 February	Until no later than 2.50 pm	John Smart
Tuesday 25 February	Until no later than 3.10 pm	UK Finance
Tuesday 25 February	Until no later than 3.30 pm	JUSTICE
Tuesday 25 February	Until no later than 3.50 pm	Public Sector Fraud Authority
Tuesday 25 February	Until no later than 4.10 pm	Big Brother Watch
Tuesday 25 February	Until no later than 4.40 pm	Campaign for Disability Justice; Greater Manchester Coalition of Disabled People
Tuesday 25 February	Until no later than 5.00 pm	Department for Work and Pensions; Cabinet Office

3. proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 7; Schedule 1; Clauses 8 to 69; Schedule 2; Clauses 70 to 74; Schedule 3; Clauses 75 to 77; Schedule 4; Clauses 78 to 90; Schedule 5; Clause 91; Schedule 6; Clauses 92 to 98; new Clauses; new Schedules; Clauses 99 to 104; remaining proceedings on the Bill;
4. the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 20 March.