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Committee Stage: Friday 14 March 2025

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# 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 Any withdrawn amendments are listed at the end of the document.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.

★ New Amendments.

New Amendments: NC17

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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.

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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.”

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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.”

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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.”

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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.”

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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.”

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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.”

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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.”

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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.

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**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.

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**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.

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**Rebecca Smith**

NC13

Mike Wood

To move the following Clause—

**“Liability orders**

- (1) Where—
  - (a) a person 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,
  - (b) that offence relates to fraud committed against a public authority, and
  - (c) the person 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."

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**Steve Darling**

NC14

John Milne

To move the following Clause—

**"Inclusion of systems within the Algorithmic Transparency Reporting Standard**

- (1) For the purposes of this section, "system" means—
  - (a) algorithms, algorithmic tools, and systems; and
  - (b) artificial intelligence, including machine learning provided that they are used in fulfilling the purposes of this Act.
- (2) Where at any time after the passage of this Act, the use of any system is—
  - (a) commenced;
  - (b) amended; or
  - (c) discontinued
 the Minister must, as soon as reasonably practicable, accordingly include information about the system in the Algorithmic Transparency Reporting Standard."

**Member's explanatory statement**

This new clause would require the use of algorithms, algorithmic tools, and systems, and artificial intelligence, including machine learning, to be included within the Algorithmic Transparency Reporting Standard.

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**Rebecca Smith**

NC15

Mike Wood

To move the following Clause—

**"Offence of encouraging or assisting others to commit fraud**

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

- (2) In section 111A (Dishonest representation for obtaining benefit etc), after subsection (1G) insert—

“(1H) A person commits an offence if they—

- (a) encourage or assist another person to commit an offence under this section, or
- (b) provide guidance on how to commit an offence under this section.”

- (3) In section 112 (False representations for obtaining benefit etc), after subsection (1F) insert—

“(1G) A person commits an offence if they—

- (a) encourage or assist another person to commit an offence under this section, or
- (b) provide guidance on how to commit an offence under this section.””

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Rebecca Smith

NC16

Mike Wood

To move the following Clause—

**“Review of whistleblowing processes in relation to public sector fraud**

- (1) The Secretary of State must, within one year of the passing of this Act, conduct a review of whistleblowing processes in relation to fraud in the public sector.
- (2) A review conducted under this section must consider—
  - (a) the appropriateness and efficacy of existing whistleblowing processes;
  - (b) barriers to reporting fraud and reasons for underreporting of fraud; and
  - (c) recommendations for change.
- (3) The Secretary of State must publish a report containing—
  - (a) the findings and conclusions of the review, and
  - (b) a timetable for the delivery of any recommendations for change within six months of the completion of the review.”

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Steve Darling

NC17

John Milne

★ To move the following Clause—

**“Duty to consider domestic abuse risk to holders of joint accounts**

- (1) Before any direct deduction order under Schedule 5 is made, the Secretary of State has a duty to consider its effect on any person (“P”) who—
  - (a) is a victim of domestic abuse, or



(b) the Secretary of State reasonably believes to be at risk of domestic abuse,

where P shares a joint account with a liable person believed to be the perpetrator or potential perpetrator of domestic abuse.

(2) In this section “domestic abuse” has the meaning given by section 1 of the Domestic Abuse Act 2021.”

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**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”

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**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.”

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## 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.

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**Order of the Committee**

[25 February 2025, as amended 13 March 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 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
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.

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## Withdrawn Amendments

The following amendments were withdrawn on 27 February 2025:

26 and NC4

The following amendments were withdrawn on 6 March 2025:

21