

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

SPECIALIST PRINTING EQUIPMENT AND MATERIALS (OFFENCES) BILL

Wednesday 26 November 2014

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CLAUSES 1 to 5 agreed to.
Bill to be reported, without amendment.

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The Committee consisted of the following Members:*Chair:* MR JIM HOOD

- | | |
|--|---|
| † Amess, Mr David (<i>Southend West</i>) (Con) | † Nuttall, Mr David (<i>Bury North</i>) (Con) |
| Binley, Mr Brian (<i>Northampton South</i>) (Con) | † Pincher, Christopher (<i>Tamworth</i>) (Con) |
| † Bradley, Karen (<i>Parliamentary Under-Secretary of
State for the Home Department</i>) | Reed, Mr Steve (<i>Croydon North</i>) (Lab) |
| † Cooper, Rosie (<i>West Lancashire</i>) (Lab) | Riordan, Mrs Linda (<i>Halifax</i>) (Lab/Co-op) |
| † Dowd, Jim (<i>Lewisham West and Penge</i>) (Lab) | Weatherley, Mike (<i>Hove</i>) (Con) |
| † Edwards, Jonathan (<i>Carmarthen East and Dinefwr</i>)
(PC) | Williams, Mr Mark (<i>Ceredigion</i>) (LD) |
| † Elphicke, Charlie (<i>Dover</i>) (Con) | † Wilson, Phil (<i>Sedgefield</i>) (Lab) |
| † Godsiff, Mr Roger (<i>Birmingham, Hall Green</i>) (Lab) | Kate Emms, <i>Committee Clerk</i> |
| Lewis, Dr Julian (<i>New Forest East</i>) (Con) | † attended the Committee |

Public Bill Committee

Wednesday 26 November 2014

[MR JIM HOOD *in the Chair*]

Specialist Printing Equipment and Materials (Offences) Bill

3 pm

The Chair: I welcome right hon. and hon. Members to this special occasion for the hon. Member for Southend West. We begin with the debate on clause 1. I suggest that Members make any remarks on clauses 2 to 5 during that debate. I will then formally put the question that clauses 2 to 5 stand part of the Bill, on the basis that the Bill as a whole has been debated.

Clause 1

OFFENCE OF SUPPLYING SPECIALIST PRINTING
EQUIPMENT KNOWING IT WILL BE USED FOR CRIMINAL
PURPOSES

Question proposed, That the clause stand part of the Bill.

Mr David Amess (Southend West) (Con): Mr Hood, it is a pleasure to serve under your chairmanship. I want to make it clear to the Committee that I would be the last person to want legislation for the sake of it, because in the years that I have been a Member, I have sometimes despaired that we make law and it is hit and miss as to whether it is enforced. However, I have been impressed by the case that the police have put to me about this necessary legislation. In consultation with the Home Office, I think that this Bill can make a real difference.

Clause 1 will help to tackle identity crime, which is affecting people throughout the country and has the potential to endanger the safety and security of our nation. The available figures on identity crime are worrying. Figures published by the National Fraud Authority estimate that more than 27% of UK adults—more than a quarter of the nation's population—have been a victim of identity fraud at some point. For the most vulnerable members of society, the damage caused goes much further than the loss of money. Criminals will continually try to stay ahead of the game by obtaining specialist technology to make a wide range of false documents, including false passports, driving licences, travel documents, and credit or debit cards.

I was concerned to learn that, in my constituency, the police have detected 128 false documents on computer hard drives seized from document factories since 2007. I understand that the hon. Member for Croydon North cannot be with us this afternoon but I was concerned to learn that, in his constituency, police detected 861 false documents. That is why the legislation is needed. Criminals rely on members of the specialist printing industry to supply them with specialist technology. They do that by tricking suppliers into thinking that they will use the

equipment for a legitimate purpose, or by seeking out unscrupulous specialist printing companies to collude with them.

I recently met with the Metropolitan police. Through the wonderful initiative Project Genesis, they have found that existing law is insufficiently targeted to enable them to prosecute suppliers of specialist printing equipment because supplying such equipment knowingly for criminal activity is, surprisingly, not specifically prohibited in existing legislation.

Jim Dowd (Lewisham West and Penge) (Lab): It is a pleasure to serve under your sagacious direction, Mr Hood. On the issue of this not being an offence at the moment, is the hon. Gentleman convinced that the conspiracy laws do not cover this already? I appreciate his point that we do not want to make unnecessary laws. Would he spend a few moments explaining why it is not covered by criminal conspiracy as the law stands at the moment?

Mr Amess: My hon. Friend the Minister will explain why that is. The Government recognise that there are significant challenges in dealing with the consequences of identity theft. Although identity theft is not a criminal offence in itself, the use of a false identity for fraud purposes is. The Home Office is leading a multi-agency strategic group to reduce the threat to the United Kingdom. The group is engaged in a range of activities to tackle the problem, such as strengthening the issue and processing of Government documents, improving data sharing about false identities and taking down websites offering false documents for sale. City of London police are also leading this work and are currently developing a strategic threat assessment of identity crime. The hon. Gentleman raised a good point, and I know that the Minister will explain precisely why it was not possible for that particular point to be covered in existing legislation and why the new offence had to be created.

The Bill will empower the police to deal effectively with those who knowingly seek to profit from criminal activity. It sends a clear message that someone who knowingly supplies specialist printing equipment to criminals will be prosecuted. If found guilty of that offence, an individual could receive up to 10 years' imprisonment and/or an unlimited fine. If a corporate body is found guilty, it could receive an unlimited fine and managers would also be liable if there is clear evidence that they consented to or connived in the offence or neglected their responsibilities.

Mr Hood, you have kindly allowed the Committee to discuss the remaining parts of the Bill in this clause stand part debate. Under clause 2, a definition is clearly set out of the specialist printing equipment and of the documents that would be captured under the legislation. Specialist printing equipment refers to any equipment that is "designed or adapted for" the making of "relevant documents". By "relevant documents", we mean identity documents such as passports, travel documents, driving licences, entry documents, security passes and documents used for verifying one's age. The legislation will also apply to counterfeit money and debit and credit cards.

The legislation applies to the supply of specialist printing materials to be used for criminal purposes. That includes holograms and hot foil, which are used to make official documents, as well as bespoke rubber

stamps, which are used to authenticate documents such as marriage certificates. Those documents provide the holder with access to various services and benefits across the public and private sectors. In the wrong hands, false versions of those documents can cause untold damage, including enabling illegal immigrants to merge into our society—the UK Independence party will no doubt be pleased about that—and fraudulently access public services to which they are not entitled. Crime committed through the use of those documents can have a serious impact on businesses, particularly small ones. However, the Home Office estimates that businesses will save up to 3% of their profits from the prevention of fraud against them as a result of the legislation.

The legislation will apply to England and Wales only. The extent reflects that criminal justice matters are devolved to Scotland and Northern Ireland. However, false document factories are a cross-border problem. The Bill will apply to the supply of specialist printing equipment for criminal activity in any jurisdiction. If a supplier in England and Wales supplies equipment to a fraudster, knowing that they will use it to manufacture false documents, they will be prosecuted, whether the manufacture itself happens in England, Scotland, France or even Australia.

Jim Dowd: I do not want to labour the point, but that relates to manufacturers based in England and Wales. What about those who would manufacture false documents by obtaining equipment from companies based in Scotland or Northern Ireland? I recognise what the hon. Gentleman says about devolved powers, but what if they were to get the equipment from one of the other nations of the UK? That would not be an offence.

Mr Amess: The hon. Gentleman, who is a friend, will be pleased to know that Home Office officials are already in discussion with the Scottish and Northern Ireland Parliaments. I have been advised by the Home Office that if the Bill becomes law, they will hopefully introduce similar measures in their own Parliaments. The hon. Gentleman made an excellent point.

The law will come into force two months after the day on which the Act is passed and will be cited as the Specialist Printing Equipment and Materials (Offences) Act 2014. The Bill will empower the police to deal effectively with those who knowingly seek to profit from criminal activity without regard to the consequences of identity crime. It sends a clear message that, if people knowingly supply specialist printing equipment to criminals, they will face the consequences and be prosecuted.

Phil Wilson (Sedgefield) (Lab): It is a pleasure to serve under your chairmanship, Mr Hood. The provisions are obviously not controversial in any way but I have been asked by the shadow Minister, my hon. Friend the Member for Croydon North, to raise one or two points. First, there is an issue around clause 1(3). What is the reasoning for the prison sentence being capped at 10 years and what is the relevant sentencing guidance for crimes related to use or distribution of forged documents? How do the two interrelate? The other question is about the fact that the Modern Slavery Bill is passing through the House of Lords at the moment. As we are talking about fake IDs and trafficking is an issue raised in the

Modern Slavery Bill, are there any links between this private Member's Bill and the Modern Slavery Bill?

Mr Amess: As far as the 10-year sentence is concerned, there was widespread consultation before the legislation was drafted, with the industry—10,000 businesses are affected by the proposed legislation—and with the general public. We know how apathetic people can be but on the first point there was a 97% take-up and on the second point there was an 83% take-up. Following consultations with the Sentencing Council, it was suggested that 10 years was the appropriate sentence. On the hon. Gentleman's second point regarding the Modern Slavery Bill, there is no link whatever.

The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley): It is a pleasure to serve under your chairmanship, Mr Hood. I will ensure that my remarks cover the whole Bill, if that is acceptable. I am delighted that this Bill is being considered in Committee today. I congratulate my hon. Friend the Member for Southend West on getting the Bill to this stage, drawing support for it from hon. Members on both sides of the House and making such a powerful case on the need for the measure. I pay tribute to my hon. Friend the Member for Dover, who tried to bring in a similar Bill last year because he could see the need for one; it should be put on the record that he paved the way for my hon. Friend the Member for Southend West.

The Bill is an important step in disrupting identity crime, which is a serious issue affecting people in all constituencies. Many Members will have had cases brought to them of constituents who have had their identities stolen, and will be aware of the financial and emotional impact that it can cause. We heard about the scale of the problem in the constituencies of my hon. Friend the Member for Southend West and the hon. Member for Croydon North.

The police have numerous recent examples of illegal document factories being uncovered, with documents relating to thousands of identities being found, including passports, driving licences, birth certificates, immigration documents, EU identity cards, and national insurance number cards; the list goes on. The hon. Member for Sedgefield talked about modern slavery. Although my hon. Friend the Member for Southend West is quite correct to say that there is no direct link between this Bill and the Modern Slavery Bill currently in the other place, as the Minister who took the Modern Slavery Bill through our House, I am pleased that we are doing all that we can to tighten up on identity crimes that can result in making it easier for traffickers to exploit people in that most heinous of crimes.

3.15 pm

However, in none of the cases that we have seen have the police been able to prosecute those who supplied the specialist equipment to the criminals, even when there was evidence that they knew what the equipment would be used for. The hon. Member for Lewisham West and Penge mentioned the existing legislation, particularly the conspiracy to defraud offence, but the existing legislation is not sufficient.

Mr David Nuttall (Bury North) (Con): Does the Minister have any idea of the numbers involved in this crime? How many people have been able to get away with it because the legislation has not been in place?

Karen Bradley: I can give my hon. Friend the figures for overall identity crime: it cost £3.3 billion in 2012; 8.8% of UK adults—that is 4.3 million people—were victims; the 2.7 million who actually lost money lost £1,203 each on average; and overall, as my hon. Friend the Member for Southend West said, 27% of people have been a victim at some point. I can also tell my hon. Friend the Member for Bury North that, since 2007, there have been 19 prosecutions as a result of the Project Genesis partnership between the Met and the specialist printing industry, which was set up to allow the reporting of any suspicious behaviour. It has resulted in the identification of £19.5 million-worth of fraud, but the creation of a specific offence would have led to even more prosecutions.

I return to the point about the conspiracy to defraud offence. The hon. Member for Lewisham West and Penge is absolutely right that the police can prosecute for conspiracy to defraud under the Fraud Act 2006, but it is often difficult to prove such a conspiracy—as opposed to the proposed specific offence of supplying equipment with intent—so many such cases are not currently taken forward by the Crown Prosecution Service. The police have had problems obtaining sufficient evidence under existing criminal law, because suppliers of printing equipment may not know exactly what the purchaser is going to do with the equipment.

The hon. Member for Lewisham West and Penge asked about cross-border issues. My hon. Friend the Member for Southend West mentioned the devolved Administrations, but it is worth saying for the record that the measures will apply to exporters of specialist printing equipment in this country if they know that the exported equipment has been used to commit fraud overseas, or if it is used to commit fraud in England or Wales. Similarly, importers will be open to prosecution if they supply the imported equipment in the knowledge that it will be used for the purpose of committing a crime in this country. Of course, we already work closely with our international partners to prevent criminals from getting hold of such equipment and transporting it across borders, but the hon. Member for Lewisham West and Penge made a powerful point about the devolved Administrations. My hon. Friend the Member for Southend West referred to the work that we are doing on that.

It is fair to say that the existing legislation is not sufficient, because there is no targeted offence for the kind of behaviour that we are discussing. The Bill will strengthen the police's powers in this area and make successful prosecutions more likely, and it will generate benefits, including bringing more criminals to justice and disrupting criminal activity. As my hon. Friend the Member for Southend West said, the legislation has strong support from both the specialist printing industry and the police. In our public consultation, 81% of respondents supported the legislation, with 93% strongly

agreeing that it will act as a deterrent to those who might knowingly seek to sell specialist printing equipment to fraudsters.

The Government want the specialist printing industry to raise its standards, which is why we have already published voluntary guidance for businesses on how they can protect themselves and reduce the likelihood of their inadvertently supplying equipment to persons who will use it to commit crime. That includes simple checks they can carry out to profile customers and identify those who may be criminals.

The Home Office will continue to work with the specialist printing industry and the police to ensure the smooth and successful implementation of the new legislation. We will also continue to provide information to both the Scottish Government and the Northern Ireland Assembly on the progress made here in England and Wales. The Scottish Government have previously indicated that they may consider introducing similar legislation in Scotland.

The private Member's Bill before us provides the opportunity to make the necessary change to strengthen police powers and send a message to those who might seek to collude with criminals. We must seize that opportunity, so I hope that all Committee members will support this much needed Bill.

Mr Amess: I thank my hon. Friend the Minister for her comments.

I absolutely agree with the thrust behind the point made by my hon. Friend the Member for Bury North. I do not understand why the issue has not been dealt with previously when we seem to waste an awful lot of time on legislation that I sometimes think is unnecessary. I hope that there will be some pride that the brief time spent by the Committee in scrutinising the Bill will have a real impact—£3.3 billion is a huge amount of money. Perhaps we will put right the previous wrongs.

I hope that the hon. Member for Lewisham West and Penge is reassured of the need for the legislation. It was discussed very carefully with the police, who feel that it will make it easier to secure prosecutions, because the current situation is very poor. I thank the hon. Member for Sedgefield for his support, which is very much appreciated.

The Home Office estimates that the cost of taking forward prosecutions under the legislation will be about £139,000 a year, but the Bill undoubtedly has the support of not only the police but businesses themselves. I thank all colleagues present for giving up their time this afternoon to serve on this Committee—I am most appreciative.

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

Clauses 2 to 5 ordered to stand part of the Bill.

Bill to be reported, without amendment.

3.21 pm

Committee rose.