



Department
for Work &
Pensions

THE RT HON LIZ KENDALL MP
Secretary of State for Work & Pensions

Rt Hon Sir Julian Smith MP
julian.smith.mp@parliament.uk

Your ref: JU81811

Our ref: MC2024/101421

9 January 2025

Dear Sir Julian,

Thank you for your letter of 9 December on behalf of one of your constituents regarding the Government's proposed Fraud, Error and Debt Bill.

Preventing incorrect social security payments is a priority for the Department for Work and Pensions (DWP). We have a responsibility to the people of this country, including to those who receive social security, to ensure benefits are paid correctly and payments are made to people who are eligible for the support.

Fraud and error in the social security system currently costs the taxpayer almost £10 billion a year and since the pandemic, a total of £35 billion of taxpayers' money has been incorrectly paid to those not entitled. We are determined to reduce those levels.

As set out by the National Audit Office, access to data is key to prevention and detection of incorrect payments. The Eligibility Verification Measure (EVM) in the proposed Fraud, Error and Debt Bill will not give the DWP access to any bank accounts, nor any information on how customers spend their money. It will require banks and financial institutions to share limited information with the DWP to help verify benefit eligibility by flagging possible conflicts with eligibility rules for example, the £16,000 capital limit in Universal Credit. The information gathered will help the DWP identify incorrect payments, prevent debts from accruing for the customer and help identify where there may be fraudulent activity. Banks will share minimal information, which will only be used by the DWP if needed, to support further inquiry into any potential incorrect payment.

The DWP does not consider the proposed EVM to be directly discriminatory for any particular group as it will apply equally to all groups with or without protected characteristics. The DWP knows that a greater proportion of benefit customers (and hence those impacted by the EVM) may be vulnerable or have disabilities. However, it considers that any disproportionate impact on customers with disabilities or who are otherwise vulnerable is justified as a proportionate means to achieving a legitimate aim, namely, balancing the economic wellbeing of the country with fairness for individuals through the proper use of public funds and protection of eligibility rules.

Separately, the new debt recovery powers in the proposed Fraud, Error and Debt Bill will enable the DWP to recover money owed to the taxpayer via a deduction from a

bank account as a last resort where an individual has a debt that they are repeatedly refusing to repay. To assess the affordability of any deduction from an individual, it will request to access limited information from banks.

Safeguarding vulnerable customers is always a priority. All the powers included in the Fraud, Error and Debt Bill will include strong safeguards to ensure they are only used appropriately and proportionately, including new independent oversight and reporting mechanisms where needed. The Bill will be clearly defined in its scope and there will be clear limitations for the use of all the powers we are introducing.

The DWP has existing safeguards in place to support its most vulnerable customers and under the Public Sector Equality Duty, the impacts of this policy will continue to be monitored to mitigate any potential unintended, negative consequences.

Details on the measures the Government will be legislating for will be presented to Parliament in due course. I would urge you to wait to see this information before drawing any further conclusions. The DWP will be happy to engage on any specific points that arise at that point and hope to work with you to counter misinformation and support the people we represent in the meantime.

I hope that your constituent will find this reply helpful.

Yours sincerely,

A handwritten signature in grey ink that reads "Liz Kendall". The signature is written in a cursive, flowing style.

RT HON LIZ KENDALL MP