# UK government pushes ahead with new powers to recover welfare fraud debts amid privacy concerns



The UK Department for Work and Pensions (DWP) is advancing legislation aimed at delivering what it describes as the "biggest ever crackdown on fraud against the public purse." Parliament has approved new reforms under the Public Authorities (Fraud, Error and Recovery) Bill, which seeks to tackle multibillion-pound benefit fraud by granting the DWP enhanced powers to recover money from those found guilty of fraud.

The Bill would enable the DWP to directly recover funds from the bank accounts of individuals who owe welfare debts. Moreover, it would allow the department to obtain bank statements from claimants suspected of having sufficient funds to repay debts but who refuse to do so. It is important to note, however, that these measures do not grant direct access to accounts or insight into how claimants spend their money.

Additional provisions of the Bill would permit courts, upon application by the DWP, to suspend the driving licences of fraudsters who owe more than £1,000 and have repeatedly ignored repayment requests.

The legislation has generated considerable debate in Parliament. A group of Labour MPs proposed an amendment intended to restrict the Government’s power to verify benefit eligibility. Neil Duncan-Jordan, Labour MP for Poole, sought to limit Government access to bank accounts only to those individuals reasonably suspected of committing or intending to commit an offence. Despite support from 10 Labour MPs, the amendment was rejected by a majority of 153 votes, with the final tally at 238 to 85.

Speaking prior to the vote, Duncan-Jordan expressed concerns about the impact of the Bill on vulnerable citizens, stating, "It is the very poorest in our society which are going to be affected most by this legislation. So banks will be able to trawl for financial information even where there is no suspicion of wrongdoing. That's the key point in this debate." He also pointed to the risk of extensive financial surveillance embedded in the legislation.

Opposing the amendment, DWP Minister Andrew Western argued the new powers were essential to enhancing data sharing between the private and public sectors for verifying benefit claimants’ eligibility. He clarified that information would "not be shared with the DWP under the assumption that a claimant is guilty of any wrongdoing," adding that the department would investigate whether incorrect payments were due to fraud or error.

Concerns were echoed by Liberal Democrat MPs, including Steve Darling, the party's Work and Pensions spokesman, who voiced "major concerns" relating to the "Orwellian levels of mass surveillance of those who have means-tested benefits," according to the Daily Record. John Milne, Liberal Democrat MP for Horsham, warned that innocent or accidental claimants could be unfairly affected by the new powers. He highlighted, "The implicit assumption is that we should trust in the DWP as a completely error-free organisation across the entirety of its massive operation, but they do make mistakes - they make mistakes all the time."

The Bill also attracted criticism from Conservative figures. Former Brexit Secretary David Davis cautioned that over nine million people might be subjected to "unnecessary" surveillance under the proposed measures.

Work and Pensions Secretary Liz Kendall, speaking during the Bill’s third reading in Parliament, defended the reforms, saying: "Delivering our Plan for Change means ensuring every single pound of taxpayers' money is wisely spent and goes to those in genuine need. That is what this legislation will help deliver, with the biggest ever crackdown on fraud against the public purse."

However, Shadow Work and Pensions Secretary Helen Whately criticised the Labour Government for rejecting Conservative amendments that sought to address social media influencers who encourage benefit fraud. She questioned the tolerance of online platforms in facilitating fraud, asking: "Why should we tolerate people using social media platforms to help others commit fraud, helping people cheat the tests which are there so support goes to those who need it?" She further expressed concern over the failure to seize assets purchased with fraudulently obtained funds, stating: "Why should someone who has committed fraud be able to keep their high-end television or luxury car just because they've spent their ill-gotten gains before the department gets to them?"

The Public Authorities (Fraud, Error and Recovery) Bill marks a significant legislative effort by the UK Government to enhance measures against welfare fraud, though it remains a subject of political contention regarding its scope and safeguards for claimants. The Express is reporting on the ongoing developments and reactions surrounding this legislation.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.gov.uk/government/news/biggest-fraud-crackdown-in-a-generation> - The UK government has introduced the Public Authorities (Fraud, Error and Recovery) Bill, marking the largest fraud crackdown in a generation, aiming to safeguard taxpayers' money by implementing new powers for the Department for Work and Pensions (DWP).
2. <https://www.ft.com/content/d9435e43-d09c-4de9-a372-689091dfc7ef> - The UK government is considering plans to grant banks access to accounts of welfare claimants to combat fraud and ensure they do not hold more funds than permitted by rules, as part of the Public Authorities (Fraud, Error and Recovery) Bill.
3. <https://commonslibrary.parliament.uk/research-briefings/cbp-10183/> - The Public Authorities (Fraud, Error and Recovery) Bill includes provisions that would enable the DWP to directly recover funds from the bank accounts of individuals who owe welfare debts, as well as obtain bank statements from claimants suspected of having sufficient funds to repay debts but who refuse to do so.
4. <https://www.gov.uk/government/news/biggest-fraud-crackdown-in-a-generation> - The Bill also permits courts, upon application by the DWP, to suspend the driving licences of fraudsters who owe more than £1,000 and have repeatedly ignored repayment requests, as part of the government's efforts to enhance fraud recovery measures.
5. <https://www.gov.uk/government/news/biggest-fraud-crackdown-in-a-generation> - The legislation has generated considerable debate in Parliament, with a group of Labour MPs proposing an amendment intended to restrict the Government’s power to verify benefit eligibility, highlighting concerns about the impact of the Bill on vulnerable citizens.
6. <https://www.gov.uk/government/news/biggest-fraud-crackdown-in-a-generation> - The Public Authorities (Fraud, Error and Recovery) Bill marks a significant legislative effort by the UK Government to enhance measures against welfare fraud, though it remains a subject of political contention regarding its scope and safeguards for claimants.
7. <https://www.express.co.uk/news/uk/2048652/dwp-cash-bank-accounts-new-laws> - Please view link - unable to able to access data