



Home Office

The Home Office response to the Independent Chief Inspector's report:

'An inspection of the "hostile environment" measures relating to driving licences and bank accounts.'

January – July 2016

The Home Office welcomes the Independent Chief Inspector's (ICI) inspection into 'hostile environment' measures relating to driving licences and bank accounts and thanks the ICI for the recommendations in his report.

The Home Office is pursuing a comprehensive approach to reducing migration and preventing illegal immigration. This includes action overseas, at the border and in-country, to detect and remove persons without permission to be in the UK. Immigration Enforcement's (IE) strategy is to reduce the size of the illegal migrant population and minimise the harm caused by foreign nationals in the UK illegally. IE delivers consequences for every illegal migrant who remains in the country through an escalating system of sanctions, in parallel to making it easier for individuals to return home.

We are pleased that the ICI recognises the positive working relationships that have been established between the Home Office and DVLA and Cifas respectively, to develop these key Immigration Act 2014 measures, which contribute to reducing the incentives that draw people to the UK illegally. We welcome the ICI's acknowledgement that the implementation of these measures was handled well. We are also pleased that the ICI found that "processes for checking records, matching data and refusing or revoking driving licences generally worked well ..., due in large part to the experience and expertise of the ISD and DVLA staff and good working relationships". We also welcome the ICI's acknowledgement that the Financial Conduct Authority found that banks and building societies were "complying with the requirements of the Act, identifying disqualified individuals and declining accounts when necessary".

However, we were disappointed with the ICI's assessment of decision quality in respect of the file sampling it undertook, and do not agree with the ICI's assessment in some cases. We understand the importance of making the right decisions and the impact that incorrect decisions may have on individuals, so are developing a strategy for improving and managing data quality in the longer term. We have already taken prompt action to rectify errors identified during the course of the inspection.

This will build on avenues of redress that the Home Office already has in place for applicants and partners who believe that a decision has been taken wrongly to deny services, including:

- Conducting manual checks on every case that the Home Office recommends to DVLA for driving licence revocation.
- Issuing warning letters to applicants to advise them that their driving licence will be revoked, giving them the opportunity to challenge the decision, and operating a formal appeal mechanism for applicants to use once their licence has been revoked.
- A bespoke telephone checking service for banks to contact the Home Office, and an applicant leaflet provided by banks to those refused an account, outlining clear next steps to take if they believe that they have wrongly been denied a bank account.
- The standard Home Office complaints mechanism.

The Home Office recognises the challenge highlighted by the ICI in terms of evidencing the success of the measures it is taking to create a "hostile environment" and we are working with colleagues across the department and other government departments to ensure we can demonstrate that we are meeting the intentions of our policies. However, it is also important that we take action to deny benefits and services to those who are not entitled to them, freeing up services for those that are, even where we are unable to evidence the effect immediately or directly.

We recognise the ongoing need to improve and welcome the challenge and recommendations in this report. We have already made progress in implementing some of the ICI's recommendations and have detailed this in our responses below.

Of the 14 recommendations, the Home Office fully accepts eight, partially accepts five and rejects one recommendation for the reasons given below.

Recommendations in relation to partnership working

1. Document fully the work flows between Interventions and Sanctions Directorate (ISD) and DVLA and Cifas, including guidance to ISD staff regarding their responsibilities.

1.1 Accepted; already implemented

1.2 At the time of the inspection, process maps were in place to detail the workflows between ISD and DVLA, and ISD and Cifas respectively. Full guidance was, and continues to be, available on the Home Office intranet to ISD staff undertaking the DVLA related work. Data analysis guidance was, and continues to be, available to staff undertaking Cifas related work, to clarify roles, responsibilities and ownership. We continue to review all existing guidance and processes on a regular basis to ensure that they reflect any changes.

2. Agree with DVLA a means of quality assuring that driving licence applications from individuals requiring leave to enter that are not referred to ISD for an immigration status check are being correctly decided (both issues and refusals).

2.1 Accepted in part

2.2 It is not the operational responsibility of the Home Office to quality assure decisions made by the DVLA. It is therefore not possible for the Home Office to accept this recommendation in full.

2.3 The Home Office recognises the importance of high quality decision making and is fully engaged with the DVLA to ensure that quality assurance processes are robust. We are confident that the current processes in place are fit for purpose, and there is an agreed process in place to check documents that DVLA believes may be suspect. We will continue to work with DVLA to review the process regularly to ensure that the high standard continues to be met.

3. Work with DVLA and prosecuting authorities to achieve an increase in the number of revoked licences that are surrendered, including by enforcement action against non-compliant individuals and by prosecuting individuals for failure to surrender a revoked licence.

3.1 Accepted

3.2 The Home Office will consider, alongside the DVLA, what further we can do to work with other partner organisations and agencies, including the Police Liaison Support Group, to improve messaging and increase the rate of surrender of driving licences which have been revoked.

3.3 The Home Office has drafted guidance for operational areas informing staff of their responsibilities when revoked driving licences are encountered. This guidance is expected to be published on the Home Office intranet in early 2017.

3.4 New powers provided in the Immigration Act 2016 to allow for seizure of driving licences and vehicles are due to be piloted over a three month period by police and Immigration, Compliance and Enforcement (ICE) teams. A training package has been written by the Home Office and will be delivered to police and ICE teams affected by the changes prior to the pilot.

3.5 The ICI acknowledges that responsibility for any prosecutions in respect of revoked driving licences rests with the Police and Crown Prosecution Service.

4. With DVLA, ensure that other necessary contributors to the effectiveness of the driving licence measures, notably the police and motor insurers, are aware of the measures in the 2014 and 2016 Immigration Acts, how these affect them, and what information and support is available to them.

4.1 Accepted

4.2 As part of the Home Office's preparations for the implementation of the Immigration Act 2014, the Department met with motor insurance representatives. Since March 2014, Home Office representatives have attended quarterly meetings with the Cifas Insurers Working Group to encourage members to use Home Office data held on Cifas. We have offered immigration awareness sessions to individual insurers who have registered an interest, those who attend the working group meetings and to members' organisations. We are committed to providing a similar level of communication to support the measures in the 2016 Immigration Act through the working group meetings.

4.3 Work is already underway within the Home Office to raise the profile of the driving licence measures to police forces as part of the pilot to test the new powers provided in the Immigration Act 2016. The training package that will be delivered will refresh officers' knowledge of the Immigration Act 2014 and explain how the new 2016 Act expands their powers to include seizures of driving licences and vehicles. It is expected that this training will be delivered in early 2017.

4.4 In addition, the DVLA has agreed to hold weekly meetings with the Home Office once the pilot begins to keep it informed of progress. The DVLA also has a dedicated Police Enquiry Liaison Group through which enquiries about the driving licence measures are received.

4.5 Insurance companies can access driving licence information through the MyLicence service. Whilst this service is not mandatory, the Government actively encourages its use.

5. Work with Cifas to encourage banks and building societies to make greater use of the voluntary referral mechanism to improve the Home Office's knowledge of 'disqualified persons', and consider the case for making this a statutory requirement.

5.1 Accepted in part

5.2 Since the implementation of the Immigration Act 2014, the Home Office has provided advice to Cifas members via the National Fraud Database. In addition, as a member of Cifas, the Home Office uses its attendance at quarterly industry working groups (which includes other financial services providers such as peer to peer lenders, asset finance providers, insurers) to explain to financial institutions the importance of using Cifas

when considering applications, and to promote the use of the voluntary referral mechanism.

- 5.3 Our continued engagement and promotion of the voluntary referral mechanism is starting to show results: the number of referrals from financial institutions to the Home Office increased by 60% in 2015, compared to 2014. Since January 2016 the number of monthly referrals received by the Immigration Intelligence Centre has continued to show an upward trend.
- 5.4 We accept that this is an ongoing process of education, and are committing to continuing to engage with our stakeholders on these issues.
- 5.5 The Home Office does not consider it necessary to make this process a statutory requirement at this time. The new measures in the Immigration Act 2016 will require banks to notify the Home Office of matched account holders and provide the Home Office with the information they have available to them for the individual.

Recommendations in relation to data-sharing

6. Ensure that the Memoranda of Understanding signed between the Home Office and DVLA and Cifas are reviewed regularly and updated as required by the Code of Practice published by the Information Commissioner's Office.

6.1 Accepted

6.2 The Home Office Digital, Data and Technology (HODDaT), Data Sharing Protocols Team, working in conjunction with business areas, reviews Memoranda of Understanding (MOU) for all data sharing agreements on a regular basis as determined by the length of each agreement. The Home Office will review the specific arrangements set out in MOU with DVLA and Cifas on an annual basis. The Home Office intends to continue to update them in line with the Information Commissioner's Office code of practice where appropriate.

7. Expand the datasets shared with DVLA and Cifas to include all known illegal migrants, including any 'legacy' data and new data from exit checks in relation to overstayers.

7.1 Accepted

7.2 The Home Office is committed to maximising its impact through its 'hostile environment' strategy, including, but not limited to, data sharing with partner organisations. However, this ambition will not be achieved through simply sharing data in greater volumes; we are committed to ensuring that we will only share information with partner organisations after it has been tested and we can ensure it meets appropriate standards.

7.3 We will continue to review our existing specifications of the data sets we share with DVLA and Cifas, as and when new data/technology becomes available and/or there is a change in a business requirement. This is to ensure that there is strong governance in place for managing and assessing changes to specifications so we are sharing as many of the right records as possible and meeting the original intentions of our policy.

7.4 In regards to 'legacy' data, the Home Office sent DVLA the first tranche of legacy cases in June 2016. These are being processed now and plans are in place to share the second tranche in autumn 2016.

7.5 Our response to recommendation 9 sets out the steps the Home Office is taking to improve the quality of data held on its systems, which in turn will enable us to expand the data sets we share with partner organisations.

8. Ensure that ISD is fully sighted on the timing and substance of any changes to the automated datasets provided to DVLA and Cifas.

8.1 Accepted; already implemented

8.2 In July 2016, we established a regular governance panel with key internal partners across the Home Office to achieve the following:

- Ascertain how data captured on the Cifas and DVLA databases can be improved.
- Ensure the specifications of the automated data sets provided to Cifas and DVLA meet the original policy intentions of the measures.
- Assess how the specifications are operating in practice.
- Provide a formal, uniformed approach in the management of changes to the datasets.

8.3 We will continue to monitor the effectiveness of the governance panel to ensure that it is delivering its intentions.

Recommendations in relation to data quality

9. Through user training and rigorous quality assurance, improve the accuracy and completeness of records held on the Case Information Database (CID), ensuring that any datasets extracted automatically are checked before release to partner agencies.

9.1 Accepted

9.2 The Home Office acknowledges that it has suffered from poor quality data stored on old, legacy IT systems; however, it is now addressing these issues not least through significant programmes of change on a range of IT systems.

9.3 The transition from the Case Information Database (CID) to Atlas, delivered by the Immigration Platform Technology, will provide us with an opportunity to create automated controls that respond to our data quality strategy and operating mandate. Through a combination of Atlas development and Home Office Data Analytics Capability, we will aim to automatically apply checks against wider data sets, enriching our data where possible and appropriate, and making it easier to protect and update data. We will be implementing Atlas in stages between January 2017 and the end of 2018.

9.4 Finally, with specific reference to the data sets we share with partner organisations, as mentioned in our response to recommendation 7, we are conducting a review of the data specifications for sharing data with the DVLA which we expect to be concluded by the end of October 2016. We are also reviewing some of the specific data sets identified through the inspectorate's file sampling exercise of records shared with Cifas to ensure their continued suitability for inclusion in the specification. We expect this to be completed by the end of 2016. Upon the completion of that review, we will consider whether it is necessary to further mitigate the risk through random data quality record sampling, balancing this against the resource requirements this presents.

10. Work with DVLA to identify all revocation cases where the driving licence holder departed with extant leave and reinstate the licence.

10.1 Accepted

10.2 We instigated a review in May 2016 to establish processes required to check revoked licences to mitigate any delays in updates being entered onto CID. If any revocations are highlighted where the individual left the UK with extant leave, the licence will be reinstated. We have already taken action to reinstate driving licences in cases brought to our attention by the inspection where we have evidence to show the individual had departed the UK.

10.3 The work will be completed in two stages: i) by the end of the autumn, every historical revocation will have been checked to ascertain whether new information has come to light (on CID) that the individual departed with extant leave. Licences will be reinstated in those cases identified; ii) following completion of stage one, analysis of the historical revocations will inform any additional processes that may be required to check revoked licences on a periodic basis and inform regularity.

11. Cleanse the list of ‘disqualified persons’ of all individuals who should not be included because they have leave to remain or an outstanding application, appeal, or other ‘barrier’ e.g. an outstanding application for Judicial Review.

11.1 Rejected

11.2 Given the fluid nature of an individual’s immigration status, the validity of any such cleansing exercise would be short lived and, as any exercise to cleanse the list of ‘disqualified persons’ would need to be completed manually, we assess that the costs would disproportionately outweigh the benefits. However, the Home Office is committed to continuous improvement of the specification to improve data quality with an accepted and monitored level of risk, to remove those where it accepts that there is a legitimate barrier.

11.3 The Home Office has a number of safeguards in place to mitigate against the risk of an individual being included on the ‘disqualified persons’ list in error. These include a bespoke telephone checking service for financial institutions to make checks with the Home Office, a leaflet provided to individuals who have been refused a bank account, explaining the reasons why, with clear Home Office contact details for applicants to use if they believe that they have been denied a bank account in error, as well as the formal Home Office complaints process. In addition, the Home Office has direct access to the Cifas system and can make manual amendments to the list at any time, to delete or amend individual entries if it finds they are incorrect.

Recommendations in relation to data exploitation

12. Review its use of information received from DVLA and Cifas (and others) as a consequence of the driving licence and current account ‘hostile environment’ measures:

- to identify trends and to inform threat assessments and priorities; and

- **to target immigration enforcement actions, in particular against absconders, individuals subject to a Deportation Order, and individuals not previously known to the Home Office.**

12.1 Accepted

12.2 The Home Office currently has a number of systems in place to exploit information received from the DVLA and Cifas. From these systems, Home Office teams have access to information they may need to assist progression of immigration cases, and feed into intelligence analysis. These systems include:

- a bespoke database which contains any new information received from other government departments, including the DVLA, as a result of data sharing, and is accessible by all Home Office teams;
- an alert system on CID to alert colleagues to the availability of new data received from OGDs;
- notifying our absconder tracing teams of any contact received as part of the driving licence revocation process from absconders so enforcement action can be considered;
- Cifas is already available and used by our absconder tracing teams.

12.3 The ICI also recognises that we have set up a system for enabling financial organisations to report, on a voluntary basis, new information on bank and other financial product applications to Home Office intelligence teams. If deemed sufficiently robust, this information is then packaged up and available for enforcement teams to use, in line with wider enforcement priorities.

12.4 However, the Home Office's view is that data returned specifically from the Cifas process is of limited value. This is because in the majority of cases, the matching process is simply confirming the individual has used the same address details to those already known to the Home Office.

12.5 Nevertheless, we recognise that there may be more that we can do to exploit the information we receive from our partners, and we are currently investigating this.

Recommendations in relation to measuring performance and impact

13. In the short term, develop performance indicators for the driving licence and current account 'hostile environment' measures introduced in the 2014 Act that as a minimum reflect the efficiency and effectiveness of the processes that underpin them.

13.1 Accepted in part

13.2 We have already instigated work to update our existing performance indicators for a number of 'hostile environment' measures, including driving licences, in order to provide a more robust measure of performance, both in terms of key outcomes, and the efficiency of our processes.

13.3 The Home Office's ongoing role in the operation of the bank accounts measure is, by its nature, limited to the transactional processes involved in ensuring data is uploaded to (and removed from) Cifas on a weekly basis. The FCA, as the regulator for financial institutions, is responsible for ensuring that banks are complying adequately with the

requirements of the Immigration Act 2014. Therefore it is not possible, nor necessary, to develop specific indicators to cover the performance of this measure, other than those that relate directly to the efficiency of the Home Office's processes.

13.4 Due to the complex nature of the 'hostile environment' work, it is not possible to definitively quantify the performance or impact in a straightforward manner. Our performance framework is based on the principle that the measures listed within it will provide an indication of success rather than a definitive judgement. We aim to have an updated performance framework in place by the end of 2016.

14. In the medium term, develop a method of evaluating the impact of the 'package' of 'hostile environment' measures that includes an assessment of their effect on Voluntary Departures, Enforced Removals, and on the 'pull factor' for individuals considering settling illegally in the UK.

14.1 Accepted in part

14.2 Home Office Science has been developing a methodology to assess the impact of sanctions on an individual's propensity to leave voluntarily. However, there are limitations to this work – the application of a sanction on an individual is just one of a number of influencing factors – and it is not possible to definitively attribute a sanction on its own to the achievement of case outcomes.

14.3 Furthermore, this work will provide only one part of the picture of the impact of 'hostile environment' measures. The Home Office's view is that measuring the success of the "package of hostile environment measures" cannot be done in isolation, by focusing purely on those who have received sanctions, and instead must be defined in terms of the overall compliance of individuals with the immigration process, alongside a reduction in the number of individuals seeking to enter the UK to cause financial harm.

14.4 We are currently considering how we use exit checks data in future to be able to provide a measure of compliance. We are also considering options for how we might best engage with the in-country, illegal migrant population to understand more about the 'pull-factors' to the UK and experiences of the 'hostile environment'.

14.5 In terms of enforced returns specifically, there are a number of factors that have an impact on whether a case is tasked for enforced return including the removability and harm rating of an individual.