


Response to Cabinet Office  
Open Consultation:

*Better use of data in government*

**Contact details**

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## Introduction

This document provides a response from Callcredit Information Group ("CIG") to the Cabinet Office Open Consultation, "*Better use of data in government.*"

CIG comprises a number of companies including Callcredit, a UK consumer credit reference agency, which facilitates the sharing of data on how people manage their repayment commitments. Data sharing is at the heart of our business and we provide services for both local and central government which assist the effective provision, sharing and understanding of personal data.

Having experience of the value of sharing data, we see clear benefits from the proposals. In particular, we agree that wider use of data sharing should improve the prevention, detection and investigation of fraud. Some further comments on benefits in this area identified in the paper:

### Aiding better targeting and threat-profiling of potentially fraudulent individuals

Increasing the volume of data available for analysis through sharing will provide valuable insight. Strong analytics capabilities will also be needed, to effectively profile risk of fraudulent activity at the prevention and detection stages, and provide actionable insight required for further investigation. Combining the real-world experience of investigations staff, and the type of case profile they intuitively target, with new data and strong analytics will ensure the most efficient targeting model.

### Saving taxpayers' money by streamlining processes

More effective targeting of resources is likely to reduce both investigation costs and processing effort. As well as identifying cases which might otherwise have been missed, additional data can also refine and clarify the need to investigate cases. For example, providing access to DWP data for Local Authorities carrying out Tenancy Fraud investigation is likely to provide new information allowing some cases to be rapidly confirmed as non-fraudulent without lengthy investigation.

### Increasing the ability for Government to act more quickly on fraud

Data sharing allows rapid analysis and review of real-time information at the point of investigation. Through our experience of creating and managing a Fraud Hub for Local Authority and Housing Association data, we have seen how creating a data sharing platform for multiple organisations and teams can simplify the multi-team investigation and referral process. With each organisation adhering to the same data sharing agreement and process, the data held on a specific case is far more complete, up to date and easily accessible.

CIG provides a partial response to the consultation paper, focusing on the questions appropriate to our operations and experience.

**Q3: Should non-public authorities (such as private companies and charities) that fulfil a public service function to a public authority be included in the scope of the delivering public services power?**

As the paper states, significant parts of public services are currently delivered by non-public sector bodies, and so omitting these from scope of the power could greatly diminish its effectiveness. In addition, close alignment of the public services power approach with the proposals to tackle fraud and debt is desirable. Consistency of conditions and safeguards will reduce the potential for uncertainty and multiple handling conditions. This may then encourage more confident - and effective - use of data.

**Q8: Should a government department be able to access birth details electronically for the purpose of providing a public service, e.g. an application for child benefit?**

Yes. It is important to remove dependence on paper certificates, which as stated are easily forged or altered. By reducing the need for manual handling, electronic provision can also cut the cost of providing relevant public services.

**Q9: Do you think bulk registration information, such as details of all deaths, should be shared between civil registration officials and specified public authorities to ensure records are kept up to date (e.g. to prevent correspondence being sent to families of a deceased person)?**

Yes. Consideration should also be given to allowing the private sector to access some information for this purpose, subject to strong controls and measures similar to those already in place for the use of death registration information for specified purposes in the private sector.

Bulk death registration information is currently shared with the private sector in an established manner, for strictly prescribed purposes around the prevention of crime and fraud. The data cannot be used for any other purposes, regardless of any benefits to bereaved citizens.

If death registration data is to be used to prevent public sector correspondence being sent to families of a deceased person, we contend that it should likewise be made available to prevent the equal distress caused by sending of private sector correspondence in such circumstances.

We urge that a review of the current legislation should consider widening the purposes for which the bulk death registration data can be used, to allow more support to people during the most difficult times of their lives.

Electronic provision of registration data would also have potential to help private companies to deal more considerately and effectively with people, for example the recently bereaved.

**Q10: Are there other measures which could be set out in the Code of Practice covering the proposed new power to combat fraud to strengthen the safeguards around access to data by specified public authorities?**

Given the level of transparency in place, the measures proposed are already fairly prescriptive. Imposing further measures could prove a disproportionate burden and so undermine the aim of wider and more effective use of data. We would urge flexibility in measures. Care should be taken in particular to avoid creating any highly specific requirements which could prove incompatible with new technologies or new aims in the future.

**Q11: It is proposed that the power to improve access to information by public authorities to combat fraud will be reviewed by the Minister after a defined period of time. This time will allow for pilots to be established and outcomes and benefits evaluated. How long should the Fraud gateway be operational for before it is reviewed?**

Our experience of this would suggest that a longer period than the proposed 3 years might be appropriate. We suggest that, if practicable, thought might be given to how the review could be triggered by its operational development rather than a fixed timescale. 'Trigger events' could then be defined, prompting the review once specific milestones have been reached.

Data Sharing Policy Team  
Floor 6  
Aviation House  
London WC2B 6NH

22 April 2016

To whom it may concern,

**RE: Cabinet Office – Better Use of Data Consultation**

As the consultation rightly states, better access to, and use of, data can help identify and prevent the complex problems businesses, the public sector and citizens face. Cifas recognises this from our 27 years of experience in data sharing. The sharing of appropriate data in a proportionate way can help to tackle fraud and financial corruption, inform public policy, and better direct scarce public funds to those most in need.

These proposals could and should go much further. The consultation talks about opening up data sources in order to help tailor interventions through using better infrastructure. It also speaks of public authorities being able to pilot methods of intervention much more easily. Cifas is very supportive of both of these plans, but would like to see more ambitious proposals on how the public and private sector can share data between each other to prevent fraud.

**Key points from this submission**

- Fraud is a serious and growing threat to the UK.
- Fraud is an increasing threat to businesses, citizens and the public sector in the UK.
- Data sharing across Government would help enable better fraud prevention in the public sector.
- Clearer guidance from the Information Commissioner's Office and Government on private and public sector data sharing is needed.
- Central and local Government should conduct periodic data audits to review what data they hold and what can be shared to enable savings and efficiencies across UK Plc.

## **Context**

Cifas is a not-for profit organisation working in the UK. Our mission is to deter, detect and prevent fraud and fraud-related crime in society. We do this by harnessing data and technology and working in partnership.

We have operated for over 27 years and have more than 350 members working with us from a variety of sectors, including major banks, building societies, insurance companies, telecommunications and public sector bodies.

Cifas works on the principle that as fraudsters work across sector silos, so too must fraud prevention tactics. Cifas' cross-sector members record confirmed fraud cases to our database so that other members can review relevant cases to protect people from identity fraud or conduct investigations into fraud attempted against their organisation.

Cifas has considerable experience in protecting organisations from fraudsters - sharing confirmed fraud data and effectively ensuring that once a fraudster is identified by one organisation it is very difficult for them to attack another. This data is then reported to the National Fraud Intelligence Bureau, allowing the UK's law enforcement agencies to identify and prosecute serial fraudsters. Last year Cifas Members prevented over £1 billion of fraud through their use of Cifas.

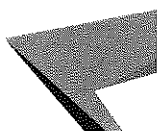
Cifas also protects citizens who are at risk of becoming victims of fraud through a Protective Registration service. A modified scheme called Protecting the Vulnerable is also in place to ensure that some of the most vulnerable in society, with mental health illnesses, do not fall victim to predatory criminals.

In responding to this inquiry, Cifas has provided information only on the areas where we have direct experience.

## **Scale of Fraud**

In 2015 Cifas recorded 320,900 frauds across the UK. Last year there were 176,981 victims of fraud recorded on our database. 161,300 of these were victims of identity related fraud. Last year from our data we recorded a 53% increase in identity fraud victims compared to 2014. 85% of identity fraud cases recorded on the Cifas database were internet enabled.

These figures are based on data collected and reported by Cifas' 350+ members and, as such, are only a snapshot of the true level of fraud that is taking place in the UK. Excluded from these figures will be many incidences of fraud against individuals and businesses (reported directly to Action Fraud), and also against sectors where Cifas does not have wide coverage, such as with SMEs or charities, and many frauds go unreported and undetected.



**Should non-public authorities (such as private companies and charities) that fulfil a public service function to a public authority be included in the scope of delivering public services power?**

Cifas believes that private companies, charities and not-for-profits that fulfil a public service function to a public authority should be included in the scope of the forthcoming legislation on the use of data in Government.

Increasingly, more public services are being contracted out and delivered by private or charitable organisations. The House of Commons Public Accounts Committee back in 2014 found that the Government spends £187 billion of goods and services with third parties each year<sup>1</sup>.

This is a substantial amount of spending on private and charitable organisations by the Government and demonstrates the quantity and breadth of services that third parties deliver for the public sector. To deliver these services, most private organisations would require at least some access to data the Government holds, therefore these bodies should be included in the scope.

However, we believe that the scope should not just stop at those organisations that are currently delivering public services, but it should also look at how all private and charitable bodies could be included. Fraud affects both the private, public and charitable sectors alike. The last National Fraud Indicator in 2013 estimated that the UK as a whole was losing £52bn a year to fraud and that the public sector was suffering fraud losses of over £20bn a year<sup>2</sup>.

We believe that since 2013, based on our own data, the threat of fraud has increased. Last year our data showed that overall fraud had increased 16% in 2015, with 320,900 frauds recorded, compared to 276,993 in 2014. While most of these frauds were committed against our private sector members, we believe that when the private sector experience an increase in fraud there is no reason why the public sector does not too.

Cifas believes that sharing data to prevent fraud acts as a public service because it provides benefits to all. These benefits include private businesses having more money to invest, charities and the public sector being able to direct their funds where they are most needed, and greater value to the taxpayer as more of their money is not lost through fraud and error.

Our experience shows that if different sectors come together to share data on fraud, this crime can be prevented. Since 2013, Cifas members have collectively saved over £1 billion each year. If the Government encouraged and allowed Departments and public sector organisations to share data with the private sector on fraud, we believe that not only would taxpayers money be saved through less fraud losses to the public

<sup>1</sup> <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpublicacc/777/777.pdf>

<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/206552/nfa-annual-fraud-indicator-2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206552/nfa-annual-fraud-indicator-2013.pdf)



sector, but also UK plc would benefit through all organisations suffering less fraud. We believe that the public sector preventing fraud loss against themselves, citizens and UK businesses, through sharing data with third parties, is a public service. This benefits all in society and should be included in the scope.

**Should a government department be able to access birth details electronically for the purpose of providing a public service, e.g. an application for child benefit?**

Cifas believes that Government Departments having access to birth details for the purpose of providing a public service would be a positive step. We would like to see Government look into what other public sector records and data would be useful to provide a public service, and how these may be shared with Government Departments and agencies providing public services.

If Government Departments and agencies started to have better access to records this could help prevent fraud. The National Audit Office in 2015 produced a report that showed HMRC and the DWP in the year 2013-14 overpaid benefits and tax credit claimants by £4.6 billion due to fraud<sup>3</sup>. The £4.6 billion figure is not the true extent of fraud in the tax and benefits system as not all fraudsters are caught or stopped. Consequently the true level of fraud loss is likely to be much higher.

This is a serious issue, and we believe part of the solution is Departments being able to check certain records with other agencies and Departments.

**Do you think bulk registration information, such as details of all deaths, should be shared between civil registration officials and specified public authorities to ensure records are kept up to date (e.g. to prevent correspondence being sent to families of a deceased person)?**

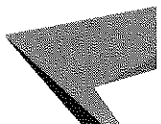
We believe that bulk registration information, such as deaths data, should be shared between civil registration officials and other specified authorities. This idea sounds similar to the 'Tell Us Once' structure<sup>4</sup>. This was designed for the recently bereaved and works by the family member informing the scheme that a member of the family has recently died and the scheme in turn notifies various local authorities and other Government agencies of the death. This means that family members should only need to tell a Government agency once of a death and not have to inform other agencies.

We would like central and local Government to perform periodic data audits. These reviews would look into what data sets they currently hold and what information can be made available to share with the wider public sector through a database.

Cifas currently holds General Registry Office Deaths data on our National Fraud Database. This information helps our members spot and stop fraudulent applications

<sup>3</sup> <https://www.nao.org.uk/press-releases/fraud-and-error-stocktake-3/>

<sup>4</sup> <https://www.gov.uk/after-a-death/organisations-you-need-to-contact-and-tell-us-once>





from individuals impersonating the dead. A process of data auditing would help determine where other public sector held data may be of similar use, whether to prevent fraud or help to clarify issues such as household composition.

**Are there other measures which could be set out in the Code of Practice covering the proposed new power to combat fraud to strengthen the safeguards around access to data by specified public authorities?**

We believe that this code of practice should be broadened out to look at data sharing between the public and private sector organisations more than it currently does.

The consultation paper highlights mortgage and tenancy fraud as areas where public sector data sharing could help prevent further fraud in these areas. We believe these two issues affect both the private and public sector alike and would be better prevented through both public and private sector data sharing.

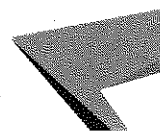
We would like to see a future data sharing bill creating more opportunities for public and private sector data sharing. This should be through pilots where the benefits, risks and transparency of the data sharing could be explored. We believe there should be this sort of data sharing pilot on fraud; where Government can look at what data can be shared with the private sector to help aid fraud prevention. Also, Government could use this pilot to explore what private sector data would help them prevent fraud against the public sector.

Cifas would like to see this code of practice strengthened by clearer guidance being issued by the Information Commissioner's Office (ICO) and Government on what gateways already exist for sharing data across the private and public sectors and what the purposes of these gateways are.

We also believe that the Government should review if the ICO need increased resource and powers to monitor, investigate and rule on data sharing. In light of further moves to share data and the EU General Data Protection Regulation becoming enforceable in two years' time, we believe that the Government must secure public trust in data sharing. One way public trust can be maintained and increased is through clear guidance from the ICO on public and private sector data sharing and Government reviewing if the regulator has adequate resources to continue to do its job.

**It is proposed that the power to improve access to information by public authorities to combat fraud will be reviewed by the Minister after a defined period of time. This time will allow for pilots to be established and outcomes and benefits evaluated. How long should the Fraud gateway be operational for before it is reviewed?**

From our experience of running different data sharing pilots and bringing new members into Cifas, we believe three years is an appropriate time period before a review of the Fraud Gateway is necessary.



## **Conclusion:**

We believe that fraud is a growing threat to the UK and it affects citizens, businesses and public sector alike. Yet, we believe a significant proportion of fraud against the private and public sector can be stopped through better data sharing across sectors.

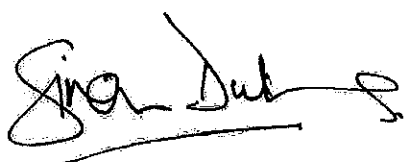
Cifas supports the proposed data sharing bill, but would like to see it go further. The bill should include more measures which would support existing and new data sharing initiatives, a greater understanding of the value and applicability of data and the creation of periodic data audits to explore what data the public sector holds that can help fraud prevention work.

## **Cifas would like to see:**

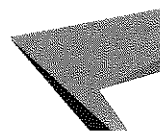
- Greater data sharing between the private and public sector to bring both sectors enhanced fraud prevention benefits.
- A clear, unambiguous statement from Government and the ICO as to the gateways available for data sharing and the purposes for which these can be employed.
- Enhanced sharing of public data in order that Government and other public bodies know when significant changes occur in people's lives (such as births, marriages and deaths), so Government needs to only be told once about such changes.
- Central and local Government should conduct periodic data audits to review what data they hold and what can be shared to enable fraud prevention and other public savings.

Thank you for the opportunity to respond to this consultation. If you have any further questions regarding fraud or financial crime, please do not hesitate to get in touch.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Simon Dukes', with a horizontal line underneath the name.

**Simon Dukes**  
**Chief Executive**



## Responding to the consultation

### Your details

To evaluate responses properly, we need to know who is responding to the consultation and in what capacity.

We will publish our evaluation of responses. Please note that we may publish all or part of your response unless you tell us (in your answer to the confidentiality question) that you want us to treat your response as confidential. If you tell us you wish your response to be treated as confidential, we will not include your details in any published list of respondents, although we may quote from your response anonymously.

Name (optional): Simon Dukes

Position (optional): Chief Executive

Organisation name: Cifas

Address:

6<sup>th</sup> Floor, Lynton House  
7-12 Tavistock Square  
London  
WC1H 9LT

**Would you like us to treat your response as confidential?\***

If you answer yes, we will not include your details in any list of people or organisations that responded to the consultation.

Yes  No

**Is this a personal response or an official response on behalf of your organisation?**

Personal response

Official response

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**If you ticked "Official response", please respond accordingly:**

**Type of responding organisation\***

- Business
- Charity
- Local authority
- Central government
- Wider public sector (e.g. health bodies, schools and emergency services)
- University or other higher education institution
- Other representative or interest group (please answer the question below)

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**Type of representative group or interest group**

- Union
- Employer or business representative group
- Subject association or learned society
- Equality organisation or group
- School, college or teacher representative group
- Other (please state below)

Not - For - Profit.

**Nation\***

- England
- Wales
- Northern Ireland
- Scotland
- Other EU country: \_\_\_\_\_

Non-EU country: \_\_\_\_\_

**How did you find out about this consultation?**

Gov.uk website

Internet search

Other

\_\_\_\_\_

**May we contact you for further information?**

Yes  No

Consultation Response

**Step**Change  
Debt Charity

# StepChange Debt Charity response to the Cabinet Office *Better Use of Data* consultation paper

April 2016

StepChange Debt Charity London Office  
6<sup>th</sup> Floor, Lynton House, 7-12 Tavistock Square, London WC1H 9LT  
Policy Contact: Peter Tutton

We are an independent charity dedicated to overcoming problem debt. Our advice and solutions services are effective, tailored and importantly, free. Foundation for Credit Counselling Wade House, Merrion Centre, Leeds, LS2 8NG trading as StepChange Debt Charity and StepChange Debt Charity Scotland.

A registered charity no.1016630 and SC046263. It is a limited company registered in England and Wales (company no.2757055).  
Authorised and regulated by the Financial Conduct Authority

## **Introduction**

StepChange Debt Charity welcomes this opportunity to respond to this Cabinet Office consultation on *Better Use of Data*.

StepChange Debt Charity is the largest debt advice charity working across the whole of the UK. In 2015 over 500,000 people contacted our free telephone helpline or online debt remedy tool for advice and support about problem debt. This experience makes us well placed to understand the problems and issues people in financial difficulty face.

We welcome the recognition set out in this consultation paper that the Government needs to ensure that fairness is paramount when making decisions about affordability for people in financial difficulty. We would point out that a fair approach is needed both for people struggling with multiple debts now and for people at risk of falling into unmanageable problem debt in the future.

StepChange Debt Charity would welcome the opportunity to work with the Government on developing a fair approach to problem debt.

Our response to this consultation will start by setting out some of the key findings from our recent research that help to describe the nature of personal debts problems in the UK. We believe that this confirms the need for a fair approach to the management of debt owed by individuals to government. We will then provide answers to the specific consultation questions most relevant to our experience.

### **Personal debt problems in the UK**

Our research suggests that currently around 2.6 million people in Great Britain are in severe problem debt. Around 8.8 people are in moderate financial difficulty and potentially at risk of falling further into unmanageable debt.

Almost 750,000 families with children are in severe problem debt, equivalent to nearly 1 in 10 families with children. Low and middle income families in work are disproportionately likely to be in severe problem debt.

Financial difficulties are often triggered by a change of circumstances that causes an income or expenditure shock. Seven out of ten StepChange Debt Charity clients cite an income shock or other change in circumstances (such as job loss, loss of employment hours, reduced income, business failure, illness, relationship breakdown for instance) as the chief factor that led to them falling into problem debt. Nationally, people who face an income shock or change in circumstances are four times more likely to be in severe problem debt than people who don't.

Our research suggests that experience of such income shocks is relatively common. 14 million people faced at least one income shock or significant change in circumstances in the last year.

Financial resilience to weather these shocks is generally low. Some 13 million people do not have enough savings put by to keep up with essential bills for a month if their income dropped by a quarter. Those on low and middle incomes are more likely not to have savings to meet a month's bills.

In consequence of low resilience to shocks, people use a number of different strategies to cope with their financial situation. One common strategy involves using credit to keep up with essential bills and or existing credit commitments. 96% of StepChange Debt Charity clients we surveyed said they had used credit to pay household bills for this reason.

Nationally, some 6.5 million people used credit to cope with an income shock in the last year. More than two thirds of people who used credit as a coping strategy fell into financial difficulty. People who used credit to cope with an income shock were 20 times more likely to fall into severe problem debt than those who were able to adjust without using credit.

Once people are in financial difficulties problems can escalate quickly. The way that creditors deal with people in financial difficulties can make a key difference in how far debt problems escalate and the degree of harm they can cause. For instance, 60% of StepChange clients polled said that their financial situation stabilised once all their creditors agreed to freeze further interest, charges and collection / enforcement action. But in cases where none of the creditors had agreed to give this help no one said that their financial situation had stabilised.

Indeed the absence of the right help at the right time tended to make debt problems worse. We estimate that in just six months a typical StepChange Debt Charity client would see an extra £2,300 added to their debts if creditors applied default interest and charges on all their accounts. Furthermore, 60% of those that didn't get the help they needed went on to take out more credit to try to deal with their debt problems. 21% took out a payday loan. 29% said that a creditor's actions prompted them to pay that bill but fall behind on other bills.

So forbearance and understanding of the circumstances of people in financial difficulty is key to stopping debt problems getting worse. Here it is particularly important to note that people will often have multiple creditors. StepChange Debt Charity clients have between five and six creditors on average. Unhelpful practice by one creditor can have a negative effect on other creditors.

It is not uncommon for our clients to have debts to local or central government. In 2015 over 30% of our clients had council tax debts, up from 15% in 2011. Figures from the first six months of 2015 showed 7% of our clients had debts to HMRC and 5% had debts to DWP; through recovery through other means (such as through benefits) may mean these figures are understated.

The consequences of unresolved problem debts and continued pressure from creditors can be severe.

- Nearly half of StepChange Debt Charity clients said that they had sought treatment from a GP or hospital in respect of debt related physical or mental health problems.



- 74% said debt had affected their sleep patterns.
- 43% said debt worries left them unable to concentrate at work
- 2% said debt worries led to them losing their job. Scaled up to 2.6 million people in severe problem debt equates to nearly 55,000 people losing their jobs because of their debt problems.
- Nearly one on six indebted parents said debt put their relationship under strain. 7% said their relationship broke up because of debt
- Children in households experiencing problem debt were more than twice as likely to say they had been bullied at school.

The consequences of problem debt such as mental and physical ill health, unemployment and lost productivity, family breakdown and homelessness create external social costs that we estimate to be around £8 billion. So there is a real imperative for the Government to ensure that debts are managed in a way that minimises harm, stops problems escalating and emphasises helping people get their finances back under control.

We know that debt advice makes a difference. Nearly eight in ten StepChange Debt Charity clients said their anxiety reduced and their family relationships improved after seeking debt advice. Our clients told us that debt advice made it easier for them to sustain their current job or a new job or to apply for a new job when they were out of work. Free to client debt advice can also increase returns to creditors by helping people to make affordable, sustainable debt repayments.

#### **Outline principles of good practice:**

The task of embedding fairness into the way that Government deals with financially vulnerable people might usefully start by thinking about some key principles for good practice. Fully understanding these and how they might be put in to practice will require further discussion with stakeholders such as debt advice charities. But here we will briefly outline some key points for consideration.

- Helping people to make sustainable and affordable repayments should be a key aim
- Achieving this aim will require a good understanding of the needs and circumstances of people in financial difficulty
- Debt management strategies will need to be flexible to work with the circumstances of people struggling with multiple problem debts. Many of these will have experienced previous unhelpful practice from one or more creditors and may have reduced capacity to deal with their situation without help – as outlined above. So a pro-active approach highlighting the benefits of engaging will be needed
- Support for people in financial difficulties needs to be holistic. Debt is often to be the result of other traumatic life events that need to be addressed for people to move forwards. There may be other advice needs (such as benefit entitlement) that would aid a person's financial recovery.
- Referral to specialist help – like debt advice charities – can be vital to success. Government should consider how best to work with other agencies to ensure effective referrals to the support people need.

- A realistic and sustainable budget is the foundation of fair debt management expenditure
- Forbearance is also vital. Giving people *breathing space* to regain control of their financial situation is often a necessary first step to sustainable debt management.
- Recognise that multiple debt solutions need a solution for each creditor – the actions of one creditor should not make a bigger problem elsewhere.
- Keep the broader social benefits of good debt management front of mind.

## **Responses to specific consultation questions touching upon problem debt**

### **Q5: Should the Government share information with non-public sector organisations as proposed for the sole purpose of providing assistance to citizens living in fuel poverty?**

In 2015 around 14% of StepChange Debt Charity clients had arrears on electricity and around 12% had arrears on gas. This compares to around 8% for both on 2011. Many of these people were in households with low incomes.

We know that people struggling with income shocks and problem debt may find it difficult to actively apply for benefits or other support. So, as long as the appropriate safeguards are in place, StepChange Debt Charity would support the proposal that the Government share information for the purpose of providing assistance to citizens living in fuel poverty.

### **Q6: Would the provision of energy bill rebates, alongside information about energy efficiency support, be appropriate forms of assistance to citizens living in fuel poverty?**

StepChange Debt Charity agrees that both energy rebates and information about energy efficiency support are appropriate forms of assistance to citizens living in fuel poverty.

### **Q7: Are there other forms of fuel poverty assistance for citizens that should be considered for inclusion in the proposed power?**

We believe that other forms of support are likely to be needed – such as access to advice on debts and income maximisation.

### **Q12: Which organisations should Government work with to ensure fairness is paramount when making decisions about affordability for vulnerable debtors who owe multiple debts?**

StepChange Debt Charity warmly welcomes the Government's aim of ensuring fairness is paramount in the public sector's approach to managing debt. The key to achieving this will be in building a thorough understanding of how financial difficulties can escalate into serious problem debt and how some key principles of good debt management can help prevent this.

This understanding will need to be built into pilots through prioritising fairness and the helping vulnerable debtors recover control of their finances as outcomes.

We believe that the Government can build this understanding by working with stakeholders. StepChange Debt Charity would very much welcome the opportunity to work with Government on this.

We would urge the Government to consult with debt advice charities, who have considerable experience in supporting people in financial difficulty and a detailed understanding of approaches to debt management that produce good outcomes.

We believe the Government should consider taking advice from sector regulators like the Financial Conduct Authority that has an understanding of ways to control debt collection practices with a view to producing fair outcomes for consumers.

In particular we would point out the developing *vulnerable customer* agenda in financial services and elsewhere. This has supporting people in financial difficulties as one focus and we are seeing innovative approaches starting to emerge. Financial Service providers would be able to give the Government insight on developing approaches to help vulnerable consumers across a broad and varied customer base.

The Government could also work with other creditors and debt advice charities to develop strategies to encourage consumers to engage earlier before financial difficulties become serious problem debts. Around half of StepChange Debt Charity clients say they were worrying about their debts for more than a year before seeking advice. That is not to say that they were not taking action to deal with their debts, but the strategies they were using (including using credit to cope as outlined above) were ultimately unsuccessful or they faced other barriers to engagement. So there is a need to work on engagement strategies, both to encourage earlier engagement and to get support to harder to reach citizens.

**Q14: How can the Government ensure the appropriate scrutiny so pilots under the power are effectively designed and deliver against the objectives of the power?**

StepChange Debt Charity would welcome the opportunity to discuss this further with the Government. Here we would briefly point out the importance of setting clear outcomes and success criteria that would ensure that the fairness agenda remains central to any pilot.

We would suggest that the design of pilots might benefit from a 'co-production' process where the insight and experience of debt advice charities and other stakeholders would help design in a focus on fairness outcomes.

Debt advice charities would also be in a very good position to help the Government to monitor and evaluation pilots where our clients present with debts owed to Government departments.

**Q15: How long should the debt power be operational before it is reviewed?**

We have no comment in response to this question at this time.



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From: **Claire Aynsley** [REDACTED]  
Date: 22 April 2016 at 16:51  
Subject: CSA Response to Cabinet Office Consultation on Better Use of Data in Government  
To: "data-sharing@cabinetoffice.gov.uk" <data-sharing@cabinetoffice.gov.uk>

**The Credit Services Association (CSA)** is the only National Association in the UK for organisations active in the debt collection and purchase industry. The Association, which has a history dating back to 1906, has just under 400 member companies which represent 90% of the industry, and employ 15,000 people. At any one time its members hold up to £60 billion for collection, returning nearly £3 billion in collections to the UK economy per annum. As the voice of the collections industry, our vision is to build confidence in debt collection by making the entire process clear, easy to understand and less stressful for all those involved. Further information on the CSA can be found at: <http://www.csa-uk.com>

The CSA is delighted to have been asked to be involved in the Cabinet Office Consultation entitled Better Use of Data. As described above, the CSA represents the debt collection industry, so we have focussed on those questions where we feel we can add useful comment only.

We support the initiative to create a manageable framework for sharing data between government departments. Within our own industry we are currently reviewing how data is used by our members for the greater good of the customer (debtor\*) and can see a lot of similarity between our work and the over-arching aims of sharing Government data, especially the 'one customer view' approach.

We have taken the opportunity in this brief response to highlight also where the Government should in our view, focus on when considering fairness when making decisions about affordability for vulnerable customers who owe multiple debts – in this case, we take the opportunity to talk about debt customers may owe in addition to government debt.

Improving access to data to enable better management of debt owed to the public sector

Q12. Which organisations should Government work with to ensure fairness is paramount when making decisions about affordability for vulnerable debtors who owe multiple debts?

CSA comment: We are aware that there is a 'Fairness Action Group' and that the CAB and Indesser are involved in that already. The CSA has been invited to this group also and will join the next meeting. There are numerous other bodies that could be invited, but they are likely to all advocate the same methodology and views when considering the right approaches to . The question is, whether the group will consider the fairness of affordability relative to government debt only, or any and all debts owed by the customer (debtor) and whether the Cabinet Office can overcome any perceptions that may exist within government departments that some debt has to be repaid within

principles that don't necessarily relate to ability to repay, more how long the debt has to be repaid within – the 'Time to Pay' criteria that is set out for certain HMRC debt, for example.

The Financial Conduct Authority (FCA) is focusing on the area of vulnerability, so we would recommend you read their Occasional Paper 8 on vulnerable circumstances. It may be reasonable to approach the FCA directly and engage with them on their views of how firms should deal with customers who are vulnerable and in financial difficulty. We can provide you with useful contact details at FCA, as CSA is also focusing on this area as part of our guidance for member companies.

We also suggest you engage with The Lending Standards Board (LSB). They are currently reviewing The Lending Code, which banks and other financial services firms subscribe to, with a focus on deal with customers in vulnerable circumstances and in financial difficulty. Again, we can provide you with useful contact details as we have a place on the LSB Board.

It would also be useful to engage with firms directly, to hear first-hand how they deal with customers in financial difficulties. Our Members list can be found on our website [www.csa-uk.com](http://www.csa-uk.com), or we can put you in touch with relevant Member firms.

The British Bankers Association (BBA) which represents the UK's banks will also have a view on how Government can ensure fairness when dealing with customers in financial difficulties, and the Finance and Leasing Association (FLA) is another Trade Body who could provide you with useful feedback.

Q14. It is proposed that the power to improve access to information by public authorities for the purpose of better managing debt owed to government will be reviewed by the Minister after a defined period of time. This time will allow for pilots to be established and outcomes and benefits evaluated. How long should the debt power be operational for before it is reviewed?

CSA comment: Once it is fully operational and assuming the review will be looking at the results of the improvement in debt collection or more likely the outcomes for the customer, then we would feel that there would need to be a minimum of six to twelve months data allowed to accumulate before any review be made.

\*The CSA does not use the term 'debtor' but chooses instead to use the term 'customer' when talking about the individual in debt. Although the term debtor is factually correct and still used, predominantly in B2B collections, it is felt that it is a culturally out-dated term that carries a certain stigma which doesn't do anything to help the engagement process, especially when the individual's circumstances beyond their control are the cause of the debt in the first place.

**Claire Aynsley | Head of Regulatory Compliance and Standards | Credit Services Association**

Website [www.csa-uk.com](http://www.csa-uk.com)

----- Forwarded message -----

From: **Martin Peters** <[REDACTED]>  
Date: 22 April 2016 at 17:47  
Subject: Better Use of Data Consultation  
To: "data-sharing@cabinetoffice.gov.uk" <data-sharing@cabinetoffice.gov.uk>

Dear Colleagues,

Thank you for the opportunity to comment on the proposals in your *Better Use of Data* consultation paper. I am responding on behalf of the Auditor General for Wales.

While we have fairly few comments, in order to give them context, it may be helpful if I provide some information about the Auditor General. The Auditor General's main functions are:

- a) auditing the accounts of Welsh public sector bodies, including the Welsh Government, NHS bodies and local government bodies of all types, including county councils;
- b) examining and reporting on the economy, efficiency and effectiveness with which public sector bodies have used, and may improve the use of, their resources (i.e. value for money studies).

The Auditor General is supported in the exercise of his function by resources provided by the Wales Audit Office, which takes the form of a board established by statute.

Among the Auditor General's functions are powers to undertake "Data Matching", as set out in Part 3A of the Public Audit (Wales) Act 2004. The Auditor General's main use of these powers has been the "National Fraud Initiative" (NFI), which he has undertaken with other auditors—the Auditors General for Scotland and Northern Ireland, as well as the Cabinet Office (formerly the Audit Commission), who have similar powers. The NFI matches data across organisations and systems to help public bodies identify fraud. Since starting in 1996, NFI exercises have resulted in the detection and prevention of more than £22 million of fraud and overpayments in Wales and some £1 billion across the UK.

Clearly there are significant parallels between the Auditor General's Data Matching functions and the Government's proposed data sharing provisions. It therefore seems appropriate that there are some common safeguards, such provision for primacy of the Data Protection Act 1998 and a code of practice.

We do not think it would be appropriate to comment on your consultation questions with a strong "merits of policy" element, but we do think it is appropriate to comment in respect of your question 10 as follows:

**Question ten: Are there other measures which could be set out in the Code of Practice covering the proposed new power to combat fraud to strengthen the safeguards around access to data by specified public authorities?**

While it might be regarded as somewhat tangential, we think that there is an issue that the safeguards that are to be applied to the Government's proposed new sharing powers may mistakenly be seen as applying to the Auditor General's Data Matching functions. We imagine that it would be rather difficult and inappropriate to attempt to legislate against such confusion. It may, however, be useful in terms of supporting the common aim of preventing and detecting fraud if the Government could set out in guidance or other communications regarding the new powers that the Auditor General's (and other auditors') Data Matching functions are covered by a specific statutory Code of Data Matching Practice, and that the newly proposed code does not apply to those functions.

We also have another more weighty concern, which seems to us not to fit with any of your consultation questions. This is that the prohibition on disclosure of information provided by HMRC to other specified bodies clashes somewhat with the Auditor General's access rights. The Auditor General is keen to address the issue of fraud in Wales, such as through examination of Welsh county councils' counter-fraud measures. As part of such examination, it may be necessary to review how thoroughly councils have followed up anomalies that should be apparent from information shared by HMRC, once such activity takes place. The Auditor General has access rights to the information held by HMRC (see section 52 of the Public Audit (Wales) Act 2004), which would overcome the lack of a "gateway" in draft clause 4 of the "Fraud against the public sector" provisions. Clearly, however, it would be rather awkward and it would incur unnecessary expense to have to seek the same information from HMRC as that which HMRC have already provided to the councils. We would therefore suggest that appropriate gateway provisions for audit examination are included with respect to information disclosed by HMRC.

I hope that this is helpful. We are happy for these comments to be made publicly available, and I am happy to provide further explanation.

Yours sincerely,

Martin Peters

Rheolwr y Gyfraith a Moeseg/Law & Ethics Manager

Swyddfa Archwilio Cymru: [www.archwilio.cymru](http://www.archwilio.cymru)

Wales Audit Office: [www.audit.wales](http://www.audit.wales)



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